

AMERICAN TOPICS

Meese Reveals Profit Of Blind Partnership

By George Lardner Jr. and Mary Thornton

WASHINGTON — Attorney General Edwin Meese 3d has disclosed that he and his wife made more than \$35,000 in profits from sales of stock over the past two years on an investment of \$60,000, but defended his failure to reveal it earlier.

The Office of Government Ethics said last week that Mr. Meese had failed to comply with federal ethics rules when he set up "a qualified blind partnership" in 1985.

Mr. Meese said Monday, through his lawyers, that he had complied fully with the Ethics in Government Act when he entered the partnership that handled the investments. He also accused the Office of Government Ethics of violating federal law by failing to warn him that his disclosures had been insufficient.

"Mr. Meese, in short, has done what a government official is supposed to do," said Mr. Meese's attorney, Nathan Levin and James E. Rocco 3d, in a memorandum.

Under federal law, officials are required to make annual financial disclosures must report the holdings of and the income from a trust or other financial arrangement unless they have entered into a "qualified blind trust" approved by the

Office of Government Ethics. Mr. Meese did not seek approval.

Mr. Meese has been under pressure to disclose his holdings since April in news reports of his "blind partnership" with a San Francisco businessman, W. Franklyn Chinn. Mr. Chinn was a director of Wedtech Corp., a defense contractor that is the subject of federal inquiry.

Mr. Meese, who had intervened on Wedtech's behalf in 1982 as a White House official, did not disqualify himself from all federal investigations of Wedtech until April.

Shortly thereafter, he announced that he was ending his partnership with Mr. Chinn, who had become a subject of the Wedtech inquiries, but the attorney general resisted making public the details of his \$60,000 investment.

Mr. Meese's attorneys emphasized that Mr. Chinn had not invested any of Mr. Meese's funds in Wedtech or any Wedtech subsidiary, but rather had made profits by a series of unusual same-day trades, buying in the morning and selling in the afternoon.

The attorneys took the position that Mr. Chinn's investments rolled over so quickly that the ownership in the stocks was too insubstantial and too fleeting to create a conflict of interest.

Dr. W. Henle, Discoverer of Virus-Cancer Link, Is Dead

By Ruth Marcus and Gwen Ifill

WASHINGTON — Conservative and liberal groups are preparing for a multimillion-dollar lobbying battle over the nomination of Robert H. Bork to the U.S. Supreme Court. Efforts already are under way by both sides to organize grass-roots support in the states of key senators.

Almost as soon as Judge Bork's nomination was announced last week, both sides started to write and telephone their members, recruit other groups, bombard editorial writers with information about the Senate's role in the confirmation process, and develop advertising campaigns and legislative strategies designed to defeat or assure his elevation to the high court.

In New York, at the annual convention of the National Association for the Advancement of Colored People, delegates unanimously passed a resolution Monday criticizing Judge Bork's stands on racial issues and calling for an "all-out effort to block" his confirmation.

"We must let our senators know that a vote against Mr. Bork is a prerequisite for our vote in the next election," said the civil rights leader Coretta Scott King, widow of the

Rev. Martin Luther King Jr., to loud applause. The 1.8 million members National Education Association, the nation's largest teachers union, also voted at its convention Sunday to fight Judge Bork's nomination. The National Organization for Women and the National Abortion Rights Action League will both concentrate on the Bork battle at their annual meetings later this month.

People for the American Way, a liberal lobbying group founded by Norman Lear, the television producer, has five or six people working full-time on the nomination and about \$360,000 in "seed money" to spend on the confirmation battle. "We're talking at least a million on this campaign," said the executive director, Art Kropp.

He said the group will begin an "alert mailing" to its 250,000 members Tuesday "to get them prepared" about the battle, and will organize a "phone bank" to have members telephone key senators when the nomination comes before the Senate Judiciary Committee.

Likewise, conservative groups have plunged into what a direct mail expert, Richard Vignerie, described as "the biggest liberal-conservative battle since the 1984 election."

"It began immediately — the first meetings of conservative leaders to brainstorm and begin to start

action were the very next morning" after the Bork nomination was announced, said Patrick McGuigan of the Coalitions for America, a conservative lobbying group.

Concerned Women for America, a 500,000-member conservative group, sent letters Monday to about 50 "area leaders" nationwide asking them to activate phone banks to urge members to write to their senators in support of the nomination.

The American Conservative Union sent its top 1,000 contributors what its executive director, Dan Casey, described as a "brevé" for contributions to support the Bork effort and to urge their senators to back Judge Bork. Mr. Casey said the group would send another 40,000 to 60,000 letters to supporters by the end of the month.

"We're going to go all out," Mr. Casey said. "This is an issue that will fund itself because it's what they would say in the direct mail world is a 'hot button' issue."

Meanwhile, both sides are battling for the support of the nation's editorial writers. People for the American Way and the Alliance for Justice last week sent mailing to 1,700 newspaper editorial writers stressing the importance of the Senate's "advice and consent" role in considering nominations.

AGE-OLD QUEST — Hilda Crooks, 91, displays the pack she plans to carry to climb Mount Fuji in Japan on July 22. She is known as Grandmother Whitney for her many attempts to climb Mount Whitney in California.

Bonuses Replacing Annual Pay Increases

Millions of American workers these days are paid cash bonuses instead of traditional annual wage increases. While executives say this distributes wealth and increases productivity, it clearly means less money for most workers, according to The New York Times.

Whether the bonuses are called profit sharing, gain-sharing, lump-sum payments or pay-for-performance plan, they can vary with a company's fortunes, disappearing in hard times. Because they are not included in the base pay, there is no compounding effect over time. That means both wages and benefits are rising more slowly.

In a recent survey, 1,126 of the 1,600 companies that responded had one or more of these bonus plans, and 69 percent of those companies had started the plans in the last five years, according to the American Productivity Center, a research organization. The trend is developing so rapidly that the U.S. Labor Department is just beginning to acknowledge its impact.

The bonuses average about 10 percent of base pay annually, or double the rate of wage increases these days. But savings on labor costs are huge. A 10 percent annual bonus brings a worker less additional money after three or four years than a 3 percent annual raise. In Japan, the only other industrial country basing pay on bonuses, these average 25 percent.

"The new bonus raise is contributing to a flattening of wages nationally," said Robert Reich, a Harvard economist. Labor unions, more concerned today about losing jobs than raising wages, are reluctant to fight the trend.

Short Takes

National Park Service wranglers have finished removing 6,000 wild burros from the Death Valley National Monument. The captured animals are put up for adoption. From now on, Park Service rangers will

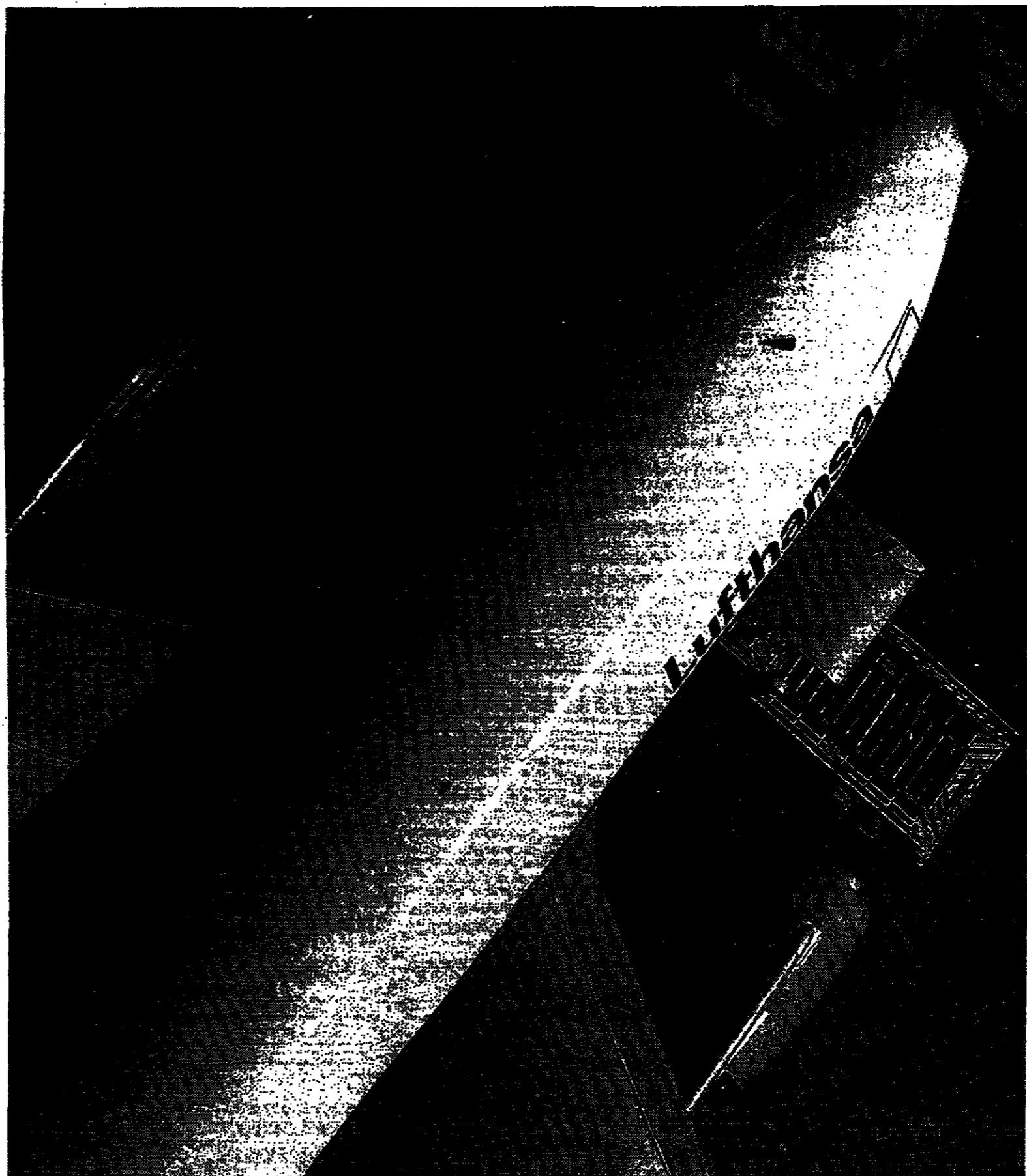
shoot any stragglers. The burros were brought in to the 3,125-square-mile (8,000-square kilometer) valley by prospectors beginning in the 1860s. They had been consuming much of the vegetation and water on which animals native to the valley, such as bighorn sheep, depend. Rounding up the burros, and putting up a 27-mile (60-kilometer) fence to keep them out, cost the National Park Service \$1.7 million.

Makers of Aytis, a diet candy on the market for 48 years, are in a dilemma. "Obviously, our product does not give anyone AIDS," or acquired immune deficiency syndrome, says Robert Bergless, chairman and chief executive of Dep Corp. But "with a name like Aytis, we'll have to do some rebranding. We are looking at all aspects of the problem — and that includes the name." He said that sales of Aytis have generally held steady.

With international student exchange programs proliferating since President Ronald Reagan signed the International Exchange Initiative in 1982, it is getting harder to find families willing to be unpaid hosts for a few weeks or months to about 100,000 youthful visitors a year. The Washington Post reports. Program officials cite rising costs of taking in foreign students, increases in two-worker families who lack the time to serve as hosts, mounting competition for host families from an expanding number of exchange groups, and a \$50 monthly tax deduction that has not changed since the 1960s. Today's cost, officials say, is as much as \$400 a month.

Representative Leon E. Panetta, Democrat of California, compares Congress's long-standing efforts to force President Reagan into a compromise on spending and taxes to a budgetary version of the "Roadrunner" cartoon, with Democrats playing the role of the hapless coyote. Every time Democrats in Congress think they finally have the president boxed in, Mr. Panetta said, "he goes 'beep beep' and leaves us in the dust." —ARTHUR HIGBEE

There is a very clear viewpoint on perfection.



McKINSTRICK

Asylum Applications Destroyed in Berlin Fire

BERLIN — A fire Tuesday destroyed a West Berlin government office in which applications for political asylum were processed. Five thousand to 6,000 applications were burned.

Flammable liquid had been poured on the floor, the police said.

Advertisement for the Palace Hotel Gstaad in Switzerland, featuring a striped awning graphic and contact information: Phone: 030/8 31 31, Telex 922 222.

Advertisement for Piaget watches, featuring a Piaget watch image and contact information: 3, avenue des Beaux-Arts, Monte-Carlo, Principauté de Monaco, Tel. 93 50 44 16.

Lufthansa logo and brand name.

Herald INTERNATIONAL Tribune

Yes, Judge the Judge

Americans hold the Supreme Court in such reverence that they are sometimes persuaded, haplessly, to try taking the politics out of politics...

When the Plant Closes

So far, the trade bill is moving along pretty well in its perilous passage through the Senate. In the first of the crucial votes, the senators last week out the energy-security — that is, oil-protection — section out of it...

Too Much of a Navy?

Matching naval forces to missions is no easy task, as the problems in the Gulf make clear. This year the U.S. Navy is spending \$95 billion, a third of the defense budget, toward its goal of a 600-ship fleet...

INTERNATIONAL HERALD TRIBUNE

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Now Comes a German Swing to the East

By Michel Jobert

The writer is a former cabinet member under President Georges Pompidou and François Mitterrand.

PARIS — A recent opinion poll in France ranked the Germans as the nation's most highly regarded partners. This says much for the realism with which the French understand the need for French-German reconciliation and cooperation.

It is a people that thinks it can make a deal with the Soviets to buy back its unity — in whatever form.

Government, legislators and media leaders in France to alert the public to this irritation with France and to the truth about German leanings.

New Korean Terms and High Hopes, But a Miracle as Yet Unworked

By Kim Jin Hyun

SEOUL — The dramatic political developments that have unfolded in South Korea in recent days have given rise to a new set of expectations here, signaled by the emergence of a new political terminology.

Nonetheless, Mr. Roh's bold acceptance of opposition demands, including direct presidential elections, has been welcomed by most people as the beginning of a political process that will parallel the economic miracle of the past 25 years.

But other uncertainties remain. The first is whether the ruling party, long accustomed to military hierarchy, and the opposition, equally given to factionalism and the party-boss system, can become more flexible, pluralistic and open-minded.

There is also doubt about whether nonpolitical forces can be kept out of the political process. Military intervention has been a constant feature in South Korea since Park Chung Hee founded the Third Republic in 1963.

Democracy for Everyone, but Maybe Not Now or Even Soon?

IT IS very well — brave, immature, generous — to say that everyone should enjoy the benefits of democracy, and it can be patting to say so otherwise.

which place has such a tolerant and encouraging culture and which does not. Our understanding is necessarily imprecise. One does not want to sell a given country short, but one does not want to take foolish risks, either.

Gibraltar: The Anachronism Must End

By Victor de la Serna

MADRID — A ghost from a remote past has appeared unexpectedly to add new notes to the European Community's endeavors. None other than tiny Gibraltar has prevented the adoption of measures to liberalize Europe's overly protectionist air transportation system.

The case of the airport is especially vexing. It is built on land considered Spanish, not British, under the Utrecht treaty; the sandy isthmus between the fortress and town and mainland Spain was simply occupied by Britain between 1854 and 1909, without any legal claim.

Spain has argued that restoration of territorial integrity, not self-determination, is the way to decolonize in a case such as Gibraltar's, and the United Nations has concurred. In addition, the Utrecht treaty specifies that if ever Britain wants to leave Gibraltar, "the preference of having the same shall always be given to the Crown of Spain before any others."

zation did during the 1960s. The short term is less predictable. The deep sense of wrong that South Koreans now have is likely to remain. But whether the present leadership can reform the paternalistic and intransigent political culture is doubtful. A variety of developments remain possible. They range from the extremes of another military coup to the emergence of a strong Christian socialist party. The Korean political miracle is not yet a certainty.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Arrests in Portugal

LISBON — Several localities in the north of Portugal have been the scenes of disturbances in connection with a new Royalist movement. The authorities have in every case succeeded in suppressing the outbreak and many arrests have been made.

Heading Off A 'Poland' In Panama

By Barry B. Levine

MAMI — If the United States does not judge Panama's strongman, General Manuel Antonio Noriega, from power, it will appear that he rules as America's boss. Unless the general goes, Panama may become the United States' Poland. A cynical Panamanian politician will be left with the belief that the United States profess to despise a corrupt military ruler but take a dim view of corruptly elected leaders — even if those leaders are pro-U.S. allies.

From behind the scenes, General Noriega commands a civilian puppet government that can only be called a dictatorship. It rules by force and fraud, murder and deceit.

On June 9, a few days after Colonel Roberto Diaz Herrera, the number two man, was forcibly retired, he confirmed that he and General Noriega had engineered the electoral fraud in 1984 that prevented Arnaldo Arias Madrid from becoming president, had ordered the burning in September 1984 of a popular movement, Hugo Sotomayor, and had made millions selling guns, drugs and vice.

General Noriega also claims that the United States does not want Panama destabilized because it might "produce a clean struggle" in November. The U.S. Senate has been clearer than the State Department. On June 26 it passed a resolution calling for the civilian government to reassert its control.

The road to the presidential election expected near the end of the year is full of traps. It seems unlikely that all political prisoners will be released. The opposition may make new demands. The army is a disciplined body, but its discipline has suddenly been put to a stiff new test.

There will be times in the next few months when the country's fledgling democrats will find few friends more difficult than they had thought; when the grooves outside will amply shake their heads and predict that the fairy tale is in danger of a Grimm ending.



The writer, a professor at Florida International University, edits the Caribbean Review. He contributed this comment to The New York Times.

OPINION

Computerized Democracy Allows No Time to Think

By David S. Broder

WEST DES MOINES, Iowa — It was dial-a-president night at the Holiday Inn here. On one side of the sliding partition in the main ballroom, a boisterous group of businessmen laughed at a comedian and inaugurated new officers. On the other side, about 85 earnest Iowans participated in an exercise in instant democracy that was as fascinating as it was frightening.

There's something scary about this new system.

Each spectator held a hand-sized dial, numbered from one to seven, connected by wire to a nearby computer. As the candidates came on the screen, one after another, delivering their responses to insinuating questions from William F. Buckley Jr. and obsequious questions from the former Democratic national chairman Robert S. Strauss, each Iowan rotated the pointer in his palm to indicate the degree of comfort or discomfort he felt with what he was seeing.



It's awful that so many people around the president did these things! Who in the world hired those people?

Sic Transit Columnist Cohen's Gloria

By Richard Cohen

WASHINGTON — A while back, I gave a speech in New Jersey. I entered the hall, had a name tag affixed to my jacket, ate lunch, gave my speech and then was driven to the train, whereupon I realized how truly famous I am.

One of them asked for an autograph anyway. On the train, though, all of that changed. I was finally somebody to everyone I went to school with. All of them, including the teachers, would know that I had made it. Mr. London, the Spanish teacher who told my father that it was not true I was an under-achiever, I was just plain dumb, would have to eat those words — in the pluperfect, if I had my way. As for Mark Crain, the son of my mother's friend who did everything just as he was told ("Perfect Mark," we called him), he would clutch his chest every time he saw my picture.

MEANWHILE

so head waiters would not tip the press to my coming. Maybe I would not be able to eat out at all. On the other hand, the prospect of fame was very satisfying. Isn't it what we all want? Once, I had a taste of it. I appeared on "The Merv Griffin Show" and beforehand they sent a limousine for me. It was a long, deep-green affair with tinted windows and it arrogantly cruised up to the studio where Mr. Griffin taped his show. Since he never announced his guests beforehand, there was always a crowd of autograph-seekers outside. They descended on my limo. Some of them leaned over the car's hood to see through the windshield.

Some Fight by Other Rules

Regarding the two-part article "Put More Muscle in the Gulf, Less in NATO" (June 9, 10) by Zbigniew Brzezinski: Concerning Mr. Brzezinski's call to reduce U.S. troop strength in Europe and increase it in South Asia, it has been well demonstrated — by the French in Vietnam, by the Americans in Vietnam and by the Russians in Afghanistan — that when a superpower is outnumbered by committed troops, and when these troops are willing and even anxious to die for their cause, the superpower will pay heavily and eventually beg to leave.

modes of attack, such as suicide car bombs or suicide assault on warships by small boats. U.S. defenses will not function in these situations, and the loss of American life will continue.

In short, this rule: Do not get involved militarily in a jihad situation.

PHILIP LISAGOR, Peshawar, Pakistan.

The Boundary With Tibet

In "A Rattling of Chinese Sabers in Tibet" (June 3), the reporter writes: "Since 1960, China and India have contested their boundaries, drawn vaguely by Britain in 1913 and 1914. After the Communist takeover in China in 1949, the new government rejected that demarcation."

Chinese government, nor was the demarcation done by the British alone. Tibet and Britain were the sole signatories of the treaty. Tibet has been under the illegal occupation of the present Chinese regime since March 1959.

RIGZIN D. WORPA, Horgen, Switzerland.

Rape Gets Even Nastier

Your extensive coverage of the AIDS issue has emphasized that the problems surrounding AIDS are moral as well as medical. One overlooked aspect concerns the consequences of rape. Sexual assault now poses added horrors.

KATHY MEGYERY, BRYAN CAMPBELL, Montreal.

Picking a Vice President

Patrick Thomas's opinion column, "The Office No One Runs for but Few Would Spurn" (June 22), contains a major historical error. The author refers to an amendment to the U.S. Constitution allowing "presidential nominees to name their own running mates." The 12th Amendment, to which

he obviously refers, does not such thing. It simply says that the presidential electors in the various states will vote separately for president and vice president. The constitution says nothing about political parties or conventions.

I should add that presidential nominees have not always chosen their running mates, although that has become the custom. Additionally, most historians no longer believe that Alexander Hamilton's influence was what "swung" the 1800 election to Thomas Jefferson after the tie with Aaron Burr. Other factors were more important.

BERNARD SINSHEIMER, Boulogne-Billancourt, France.

The Class of Czech Glass

An apology is due the Czechs for Kate Singleton's "Borek Sipek: New Flair for Bohemian Glassware" (May 20). The statement that until Mr. Sipek came along Czech glass was limited to ashtrays and Gothic-style numbers is ludicrous. In 1967 the Czechoslovak pavilion in Montreal was the hit of the world's fair, with people waiting up to six hours for admission. The outstanding exhibit was the showing of Czech glass. It was gener-

ally agreed at the time that it had no peer. The Russians invaded the following year and the best glassmakers fled, leaving a few who were forced by the Communists to produce grotesque Russian-style glass now common in Prague. What Mr. Sipek is producing is an insult to the best Czech traditions.

ALEXANDRE GEORGES, Luxembourg.

Doubtless a Fine Lunch

What is wrong with Richard Reeves's opinion column "Sinking Down to the Bottom Line" (July 2) depicting the plight of journalists in America's bottom-line society? What is wrong is that it appears at all — while so many more painful and arbitrary dislocations afflicting all the voiceless people in their professions and businesses remain ignored, or at least underreported. Truth is, the media are weak on enterprise, poignancy and responsibility in discussing this topic, while themselves waging fatter and lazier, as Mr. Reeves's own research with a "correspondent of great prestige over lunch in Paris" suggests.

EDWARD ROHRBACH, Paris.

You can enjoy Chateau Mouton Rothschild '81 during the month of July on all our flights from Europe to Singapore.



Bottled by Baron Philippe de Rothschild. Label designed by Arman. Served exclusively by Singapore Airlines First Class.



ARTS / LEISURE

American Imports On the London Fringe

By Sheridan Motley International Herald Tribune

LONDON — Two American plays have just reached London from Playwrights Horizons...

is no longer playing by any recognizable rules of social behavior.

It's about here that my enthusiasm for the play starts to fade, if only because Gurney's stagecraft is unable to cope with his own party in total disarray.

THE LONDON STAGE

social comment, Strachan avoids the pitfalls of the original American production while pulling together a strong team.

Scott-of-the-Antarctic drama called "Terra Nova," and has now turned his attention to the rather less frostbitten problems of pragmatism in New York.

A labored and idiosyncratic script of often quite remarkable inadequacy and ineptitude is not much helped by having been written in a series of short parental confrontations over the crib, nor by the theory that parenting is essentially a problem of Manhattan real estate.

Back in the West End, while Derek Jacobi makes his way to Broadway in Hugh Whitmore's "Breaking the Code," a largely new English cast has taken over for the play's second year here and moved it around the corner from the Haymarket to the Comedy.

Whitmore's best stage and screen work has always been about real people "Steve" about Stevie Smith, "Pack of Lies" about the Krogers, "Concealed Enemy" about Alger Hiss and "84 Charing



Martin Jarvis and Rosalind Ayres in "The Perfect Party."

cross road" about Helene Hanff) and much of it has also been about the gap between private and public codes of morality.

Music at the Villa Medici

By William Weaver

ROME — Over the last few years, the Roman summer has become increasingly musical.

The festival of Villa Medici has been around for several seasons, but this summer it seems invigorated, as if it had taken a new lease on life.

The festival program (sumptuously designed by Franco Maria Ricci) does not list any artistic director but the association of the "Friends of Villa Medici" includes a number of French and Italian cultural catalysts, explaining the alacrity and

variety of the fare offered on the villa's all fresco stage.

Last week, for example, included ballet, film and a symphonic concert, all of notable interest.

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can conductor Kent Nagano. Though Berlioz wrote these songs a few years after his Roman sojourn had ended, they breathe a Mediterranean sensuality that suggests he had not forgotten Italy.

The interpreter was to have been Janet Baker, but for reasons unannounced, she was replaced by the Dutch mezzo soprano Jari van Nes, a musical and persuasive singer.

In the complex work by the late Bruno Maderna, "La Grande Audacia," that occupied the second half of the program, Nagano demonstrated total grasp of Maderna's meaning and lucid control of the orchestra.

The Villa Medici festival runs for the rest of July, with more music, dance, and cinema (on the 27th the world premiere of Tony Palmer's "Maria Callas") before the performances. You can eat excellently at a little restaurant-café set up by Rosan's. The price is not excessive (about \$20 for a risotto, a steak, and wine), and the view from the terrace, with all Rome at your feet, is beyond price.

William Weaver is a writer and translator who lives in Italy.

DOONESBURY

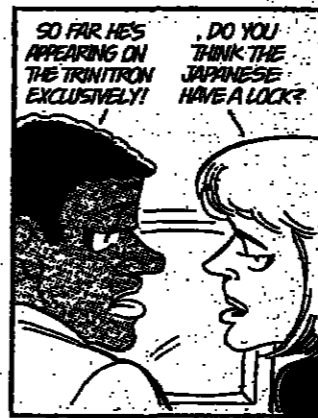


Table with NYSE Most Active columns: Vol, High, Low, Last, Chg.

Table with Market Sales columns: NYSE 4 a.m. volume, NYSE prev. close, etc.

Table with NYSE Index columns: High, Low, Close, Chg.

Tuesday's NYSE Closing Via The Associated Press

Table with AMEX Diary columns: Class, Prev.

Table with NASDAQ Index columns: Class, Prev.

Table with AMEX Most Actives columns: Vol, High, Low, Last, Chg.

Table with AMEX Stock Index columns: High, Low, Close, Chg.

Table with Dow Jones Bond Averages columns: Class, Chg.

Table with NYSE Diary columns: Class, Prev.

Table with Odd-Lot Trading in N.Y. columns: Buy, Sell, %Vol.

Table with Dow Jones Averages columns: Open, High, Low, Last, Chg.

Table with Standard & Poor's Index columns: High, Low, Close, Chg.

Table with NASDAQ Diary columns: Class, Prev.

Table with AMEX Stock Index columns: High, Low, Close, Chg.

Large table with NYSE Climbs, Just Off Record columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

NYSE Climbs, Just Off Record

NEW YORK — Prices on the New York Stock Exchange rose Tuesday, propelled by a rally in oil shares and congressional testimony from the former White House aide, Oliver L. North, that did not discredit President Ronald Reagan.

Prices nearly hit an all-time high on heavy volume, with the Dow Jones industrial average gaining 20.25 points to 2,449.78, after a slight decline Monday. The record of 2,451.05 was set June 25.

Advances led declines by a 2 to 1 ratio, while volume soared to 201 million shares. It was the heaviest trading day since 220 million changed hands June 19, and up sharply from Monday's 155 million shares.

"Investors were tentative prior to North's comments, but when it was clear he was not going to bury the president, investors moved in," said Bill Bee, a trader with Prudential-Bache Securities.

Colonel North, testifying before a select congressional committee investigating the Iran-contra affair, said he never discussed with President Reagan the issue of the diversion of funds from arms sales to Iran for use by rebels in Nicaragua, known as contras. Colonel North also said Mr. Reagan never raised the issue with him.

"The market was looking for motivation and it got it from Ollie North's testimony," said Robert Stovall, an analyst with Stovall/Twenty First Advisors, adding that investors feared "that he could have discredited the president

and the opposition would then have a field day chewing up a lame duck president."

A number of brokerage house recommendations and a sharp morning rise in oil prices propelled oil and oil drilling stocks sharply higher in active trading.

Drew D. Burnham, analyst, citing optimism in OPEC's ability to hold firm on production quotas, noted the entire sector. Drexel also added Amerada Hess and Schlumberger, an oil service company, to its "priority list."

Hess gained 1 1/2 to 3% and Schlumberger 1 1/4 to 4 1/4%. The initial gain was instigated in morning trading when U.S. crude traded above \$21 a barrel in the futures markets for the first time since January 1986. But a subsequent sell-off in oil prices failed to discourage equity investors.

Analysis also attributed the stock rally to foreign demand, especially from Japanese investors, to computerized buying programs, and to stability in bond prices.

Market participants are looking toward major companies' earnings reports for the second quarter due to be issued soon. Many investors expect the figures to show strong gains over the second quarter of 1986, even though economic growth remains fairly subdued.

However, should those expectations not be fulfilled, many observers believe the market might be vulnerable to a setback after its rally in late May and June.

Phillips Petroleum was up 3/4 to 17 1/2, Halliburton 2 1/4 to 41 and Unocal 1 1/4 to 42 1/2. Atlantic Richfield gained 2 1/4 to 98 1/4 and British Petroleum 3/4 to 79 1/4.

(Reuters, AP)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

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WEDNESDAY, JULY 8, 1987

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MADISON AVENUE Former President of DYR Heads Ogilvy World Group

By PHILIP H. DOUGHERTY

NEW YORK — Two days after officially leaving the DYR agency, Alexander Brody became president-international of Ogilvy & Mather Worldwide...

Ogilvy's chairman calls Mr. Brody 'the premier internationalist in advertising.'

The promoted executives are Norman Berry, 56, to president-creative of the worldwide agency, Graham Phillips, 48, to president-North America, and James Fine, 56, to vice chairman responsible for marketing strategy and corporate strategy.

Mr. Roman said that part of the need for the management changes was agency growth. He cited Unilever (including Chesebrough-Pond's) and the international Ford account, both acquired this year.

Mr. Roman seemed delighted with the recruitment of Mr. Brody, calling him 'the premier internationalist in advertising.'

Mr. Brody was the first president of DYR, a joint venture of Young & Rubicam and Dentsu of Japan, long one of the world's largest agencies.

Mr. Brody, 54, a Princeton graduate, is the president of the International Advertising Association. In his new role, Mr. Brody will supervise the activities of 240 offices in 45 countries outside North America...

Avrett, Free & Ginsberg, already the agency for Bausch & Lomb contact lenses, has been named to handle Renin, an enzymatic cleanser that removes protein from soft contact lenses.

Kirin beer is getting a new ad agency. The Japanese brew, the third-best-selling beer worldwide, has switched to Angotti, Thomas, Hedge. The billings, according to the agency, will be \$2 million to \$5 million.

U.S. Firm Bids for Fermenta

Largest Owner Agrees to Sell

By Juris Kaza

STOCKHOLM — Fermenta AB, the troubled Swedish biotechnology company, said Tuesday that it had received a takeover bid from Trans Resources Inc., a private U.S. manufacturer of specialty fertilizers...

It said its largest shareholder, Industrivaerden AB, has agreed in principle to sell its 40 percent stake to the U.S. company, if at least 90 percent of the shareholders accept the bid.

TR's offer of Fermenta shares to its 125,000 shareholders is a 1-for-1 ratio, with a 6.75 percent discount for class B shares with restricted votes.

Analysts said the bid, at a slight premium over market trading levels, is probably Fermenta's last chance to avoid being declared bankrupt. But it could be blocked if small shareholders, controlling 65 percent of the equity, want a higher price for their class B shares.

TR's offer of Fermenta shares to its 125,000 shareholders is a 1-for-1 ratio, with a 6.75 percent discount for class B shares with restricted votes.

Analysts said the bid, at a slight premium over market trading levels, is probably Fermenta's last chance to avoid being declared bankrupt.

TR said the bid was not linked to Mr. Sayed, following his comments that foreign interests would help him regain company control.

Fermenta's 1986 sales totaled \$3 billion, however, while TR's sales accounted to the equivalent of \$35 million kroner. In dollars, TR earned \$24.5 million before tax.

Succession Vacuum at Rubbermaid

Board Rejects Heir Apparent For Top Spot

By Claudia H. Deutsch

NEW YORK — Theory has it that the best way for a chief executive to assure an orderly transition at retirement is to identify and groom an heir apparent.

If the candidate has been running a division, bringing him into headquarters. If she is strong in finance, give her manufacturing responsibilities.

But what if the heir apparent does not take to the new areas? Then the long selection process starts over.

Just look at what is happening at Rubbermaid Inc., the U.S. household products company. Stanley C. Gault, the company's chairman and chief executive since 1980, followed all the textbook rules.

Six years ago he hired Robert E. Fowler Jr., like himself an alumnus of the General Electric Co., to whip Rubbermaid's processes and technologies into shape.

Implicit in that gentlemen's agreement was the assumption that Mr. Fowler, a proven operations heavyweight, would acquire the marketing flair that drives a consumer products company.



Stanley C. Gault, Rubbermaid's chairman and chief executive, with products from the company he diversified.

It did not happen — or, if it did, Mr. Fowler did not demonstrate it to the satisfaction of either Mr. Gault or Rubbermaid's board. Last week Mr. Fowler revealed that he would leave Rubbermaid at the end of the year.

"We had hoped that he might develop strength in marketing and thus be in a position to run the company, but it just didn't happen," said Tom H. Barrett, president of Goodyear Tire & Rubber Co. and a Rubbermaid director.

Mr. Gault, now 61, heartily concurred with that decision. "Bob's anxious to get his show on the road, and I don't blame him," he said.

Midland Boosts Reserves, Plans Rights Issue

Compiled by Our Staff From Dispatches

LONDON — Midland Bank PLC said Tuesday it will substantially raise provisions on bad and doubtful debts in its developing countries by \$916 million (\$1.48 billion), and will offset this drain on earnings with a \$700 million rights issue and asset sales of £387 million.

In raising its provisions to £1.19 billion, Midland becomes the second of four major British banks to bolster its reserves since Citicorp in May highlighted this issue by effectively declaring that many loans to developing countries might never be repaid.

In Britain, following a statement from the Bank of England urging British banks to follow suit, National Westminster Bank PLC last month raised its reserves by £466 million for the first half, bringing total provisions to £2.8 billion.

Midland said the extraordinary charge of £916 million will be reduced to £653 million after anticipated tax relief. It did not give any estimate of how the move would affect its earnings, after last year's \$434 million pretax profit.

However, it said it expected the first interim dividend of 1987 to match that of last year, with the second payment also maintaining shareholders' rate of return.

To help balance this provision, Midland said it would raise about \$700 million in a rights issue, offering its shareholders one new share at 300 pence for each one they own.

Midland also said it would sell Clydesdale Bank Ltd., Northern Bank Ltd. and Northern Bank (Ireland) Ltd., all wholly owned United Kingdom subsidiaries, to National Australia Bank for £387 million, a £70 million premium over asset value.

Midland's chairman, Sir Kit McMahon, said the moves were in response to a need to strengthen the group. Investors reacted favorably to Midland's move to cushion its exposure to sovereign debt.

U.S. Plan Would Decimate EC Farming, Foes Say

By Peter Maass

BRUSSELS — European Community officials and trade experts, assessing a U.S. proposal to remove all government agricultural subsidies within 10 years, said Tuesday that such a move could decimate the EC's farm sector.

As many as half of the farmers in the 12-nation trading bloc could be forced off the land if the U.S. plan were enforced in that time frame, the officials and experts said.

The Reagan administration unveiled its proposal for eliminating subsidies and import barriers in the world farm sector on Monday at talks in Geneva under the General Agreement on Tariffs and Trade.

But the free-market program is forcing EC officials to grapple, at least on a theoretical level, with an unpleasant thought: a world with far fewer government subsidies.

"Under the U.S. proposal, you could easily argue that 30 to 40 percent of the agricultural enterprises in the community would be immediately in danger, or even disappear," said an official at the European Commission, the EC's executive body.

Other diplomats and trade experts said that the number could be as high as 50 percent. In Japan, officials worry that key sectors such as rice production could be severely damaged by Mr. Reagan's proposal.

Japan and the EC appear to oppose the plan, and it is given only a slight chance at best of being approved by GATT, a 93-nation body that governs most of the world's trade.

EC experts echoed that concern. "There would be quite a bit of political turmoil and a threat of social unrest," said an official at France's mission to GATT.

Some experts said they feared that abandoned farm areas could turn into ecological wastelands.

The bleak scenarios sketched by a range of EC officials and trade experts help explain why the community feels so threatened by the Reagan plan. It would force the EC to dismantle its costly Common Agricultural Policy, which has fostered development of a relatively inefficient farm sector since it was approved in 1958.

The EC's main problem is the size of its farms. Guy Legras, head of the EC delegation, reportedly noted Tuesday at the GATT talks in Geneva that there is an average of 64 farms per 1,000 hectares (2,470 acres) in the EC, but only

The loans outstanding to the 30 countries totaled \$4.3 billion at the end of March. They comprised \$1.14 billion to Brazil, \$1.05 billion to Mexico, \$651 million to Argentina, \$386 million to the rest of South America and \$500 million to the rest of the world.

After making the provisions, the total specific and general provisions of the group will represent 5.8 percent of total lending. This is more than double the 2.3 percent at the end of 1985 and triple the 1.9 percent at the end of 1984.

Analysts noted that the sale of Midland's British subsidiaries was its second major disposal in two years. In February, 1986, it sold Crocker National Corp., its U.S. unit, to Wells Fargo & Co. for \$1.06 billion.

Currency Rates

Table with columns for Cross Rates, Other Dollar Values, and various currency pairs like Amsterdam, London, Tokyo, Zurich, etc.

Table for Other Dollar Values showing currency per U.S. dollar for various regions like Africa, Asia, Europe, etc.

Interest Rates

Table for Eurocurrency Deposits showing interest rates for 1, 3, 6 months in various currencies like Dollar, Swiss, French, etc.

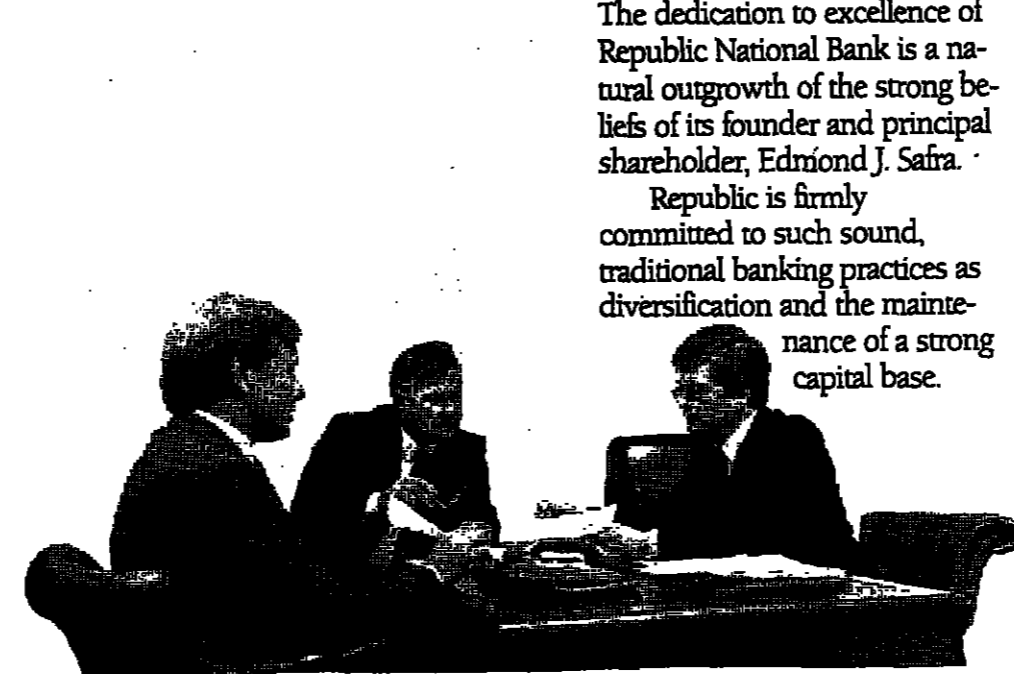
Table for Key Money Rates showing rates for 1, 3, 6 months for various currencies.

Table for Asian Dollar Deposits showing interest rates for 1, 3, 6 months in Asian currencies.

Table for U.S. Money Market Funds showing yields for various fund categories.

Table for Gold showing prices for various gold-related instruments.

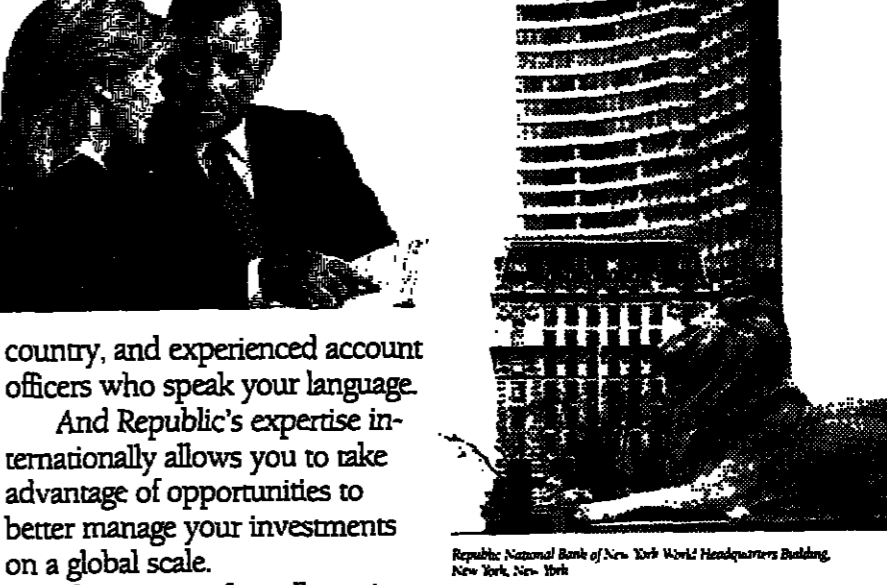
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Republic National Bank of New York logo and financial statistics: TOTAL ASSETS: US \$168 billion, SHAREHOLDERS' EQUITY: US \$1.6 billion.

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

25 Month High Low Stock Div. Yld. PE 50 100 High Low 1000 2000 High Low

Table listing stock market data for various companies, including 25 Month High Low, Stock, Div. Yld. PE, 50, 100, 2000 High Low, 1000, and 2000.

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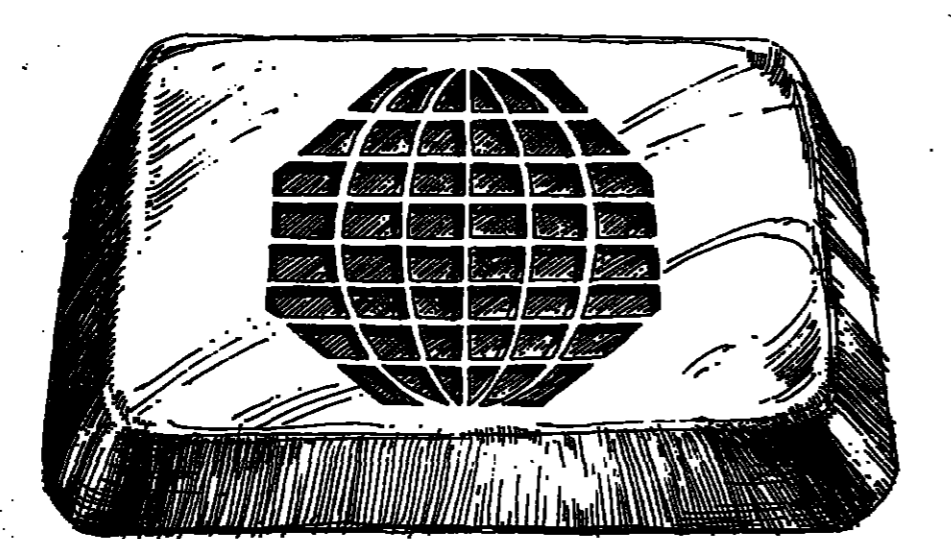
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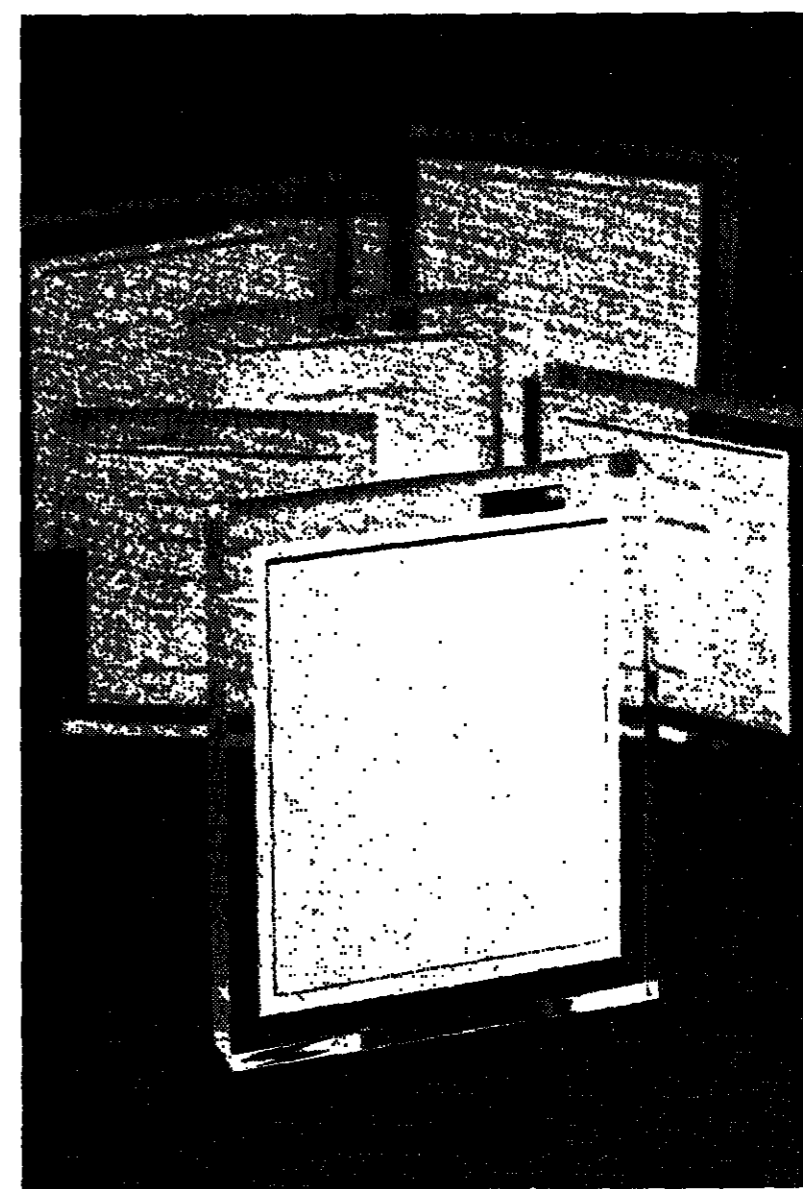
launched IMM Gold. And we've brought to that contract the same resources that have helped our other contracts grow so fast. IMM Gold is traded in an exchange that brings together one of the largest groups of professional futures traders in the world. It's open to every member of every division of the CME. And IMM Gold is supported by the CME's efficient and reliable clearing system. The Chicago Mercantile Exchange is making a total commitment to IMM Gold. We're going to do what it takes to provide the gold community with an efficient, reliable marketplace. We expect excellent liquidity, day in and day out. Try us. For our free brochure, Opportunities in IMM Gold Futures Trading, call 1-800-331-3332. In London call, (01) 920-0722.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 7th July 1987. A large table listing various international funds with columns for fund name, currency, and price.

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J.P. Morgan's key objective as a financial advisor and defense strategist is to forestall an unwelcome approach in the first place. Fully valued companies are rarely attacked or forced to restructure under pressure. So we work with you to find and implement measures that encourage a full valuation by the market of the company's stock. If a merger is to your advantage, we'll help you get the best price at the best terms. The point is, J.P. Morgan brings a relationship focus to a transaction-driven business, a philosophy that distinguishes us from other firms. We don't promote M&A transactions simply to generate fees, but offer objective financial advice that serves your best interests.



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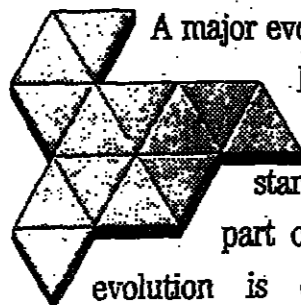
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Olivetti announces the PCs that respect your right to make your own decisions.

The arrival of the personal computer revolutionised the way businesses were run, bringing speed and efficiency that were previously unthinkable.

That revolution, like all technological revolutions, was producer-led. But the world since the revolution has changed. Business accepted and exploited the new technology, invested in it, often heavily. The business customer today is literate in the new technology, and is articulate enough clearly to communicate his needs. Olivetti believes that the responsible producer should listen to him.

Systems evolution

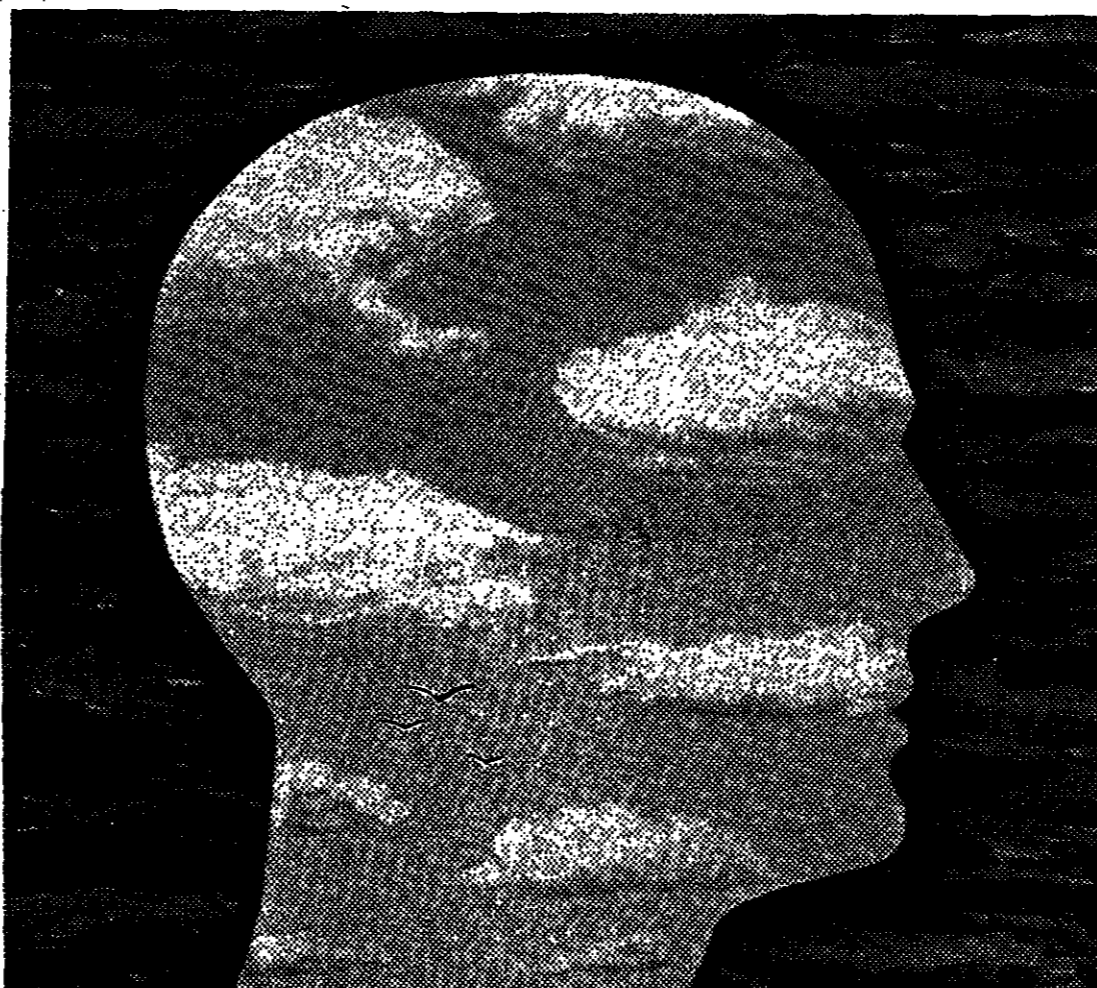


A major evolution in recent years has been in the role of the PC itself, from a stand-alone machine into part of a system. And this evolution is closely reflected in Olivetti's approach. For Olivetti, PCs are conceived as the building blocks of a system.

This user requirement for a systems approach has demanded increasingly powerful and sophisticated technology. The consumer has, in a sense, retaken the initiative. How should the producer respond?

Olivetti's view is clear. Today's user is not only technologically literate but also financially committed. Naturally, he expects products that will offer him all the benefits of state-of-the-art technology.

But he also has a right to expect products that will leave him free to enter and structure the system as and when he wants to. He needs a high degree of



interconnectability, workstations that offer the best possible price/performance ratio. And he wants to be free to work with the market standard of his own choosing.

This is what Olivetti has set out to give him with its new PC offering.

Power and flexibility



At the top of Olivetti's new PC range will be three models using the powerful 80386 microchip. These will be the fastest, most powerful PCs available, reflecting the trend for the PC to operate as server in local networks that can in turn be integrated with minicomputer environments.

These new models range from the M 380/T tower model to the M 380 and the compact M 380/C desktop workstations. The M 380 line will be flanked by a series of new PCs available in a

wide range of configurations. These will include the M 280, a powerful and extremely fast personal based on the 80286 chip with the potential for multi-tasking, the S 281, another 80286-based workstation specifically designed to operate in LAN environments, and the M 240, a potent workstation that represents a natural evolution of the highly successful (and widely emulated) M 24.

Compatibility commitment

The new models have been developed



as an evolution of the existing Olivetti PC range. They are all fully compatible with market standards. (They offer, for example, a free choice of 5.25 and/or 3.5 inch floppy disks.) Indeed, it is Olivetti's firm intention to

guarantee full compatibility with current market standards. Whatever they may be. The new models will thus take their place alongside Olivetti's existing PCs (including the recently introduced portable M 15) to offer the customer a complete range of choice in planning his systems.

They offer him full compatibility with his installed base, high computing power, integrated, ergonomically valid configurations and a modular approach that will allow him to expand the system exactly according to his needs.

Complete solution

As well as respecting the customer's existing investment, Olivetti is committed to protecting and supporting it in the future.

The completeness of the new Olivetti PC range is matched by the completeness of Olivetti's global offer, which embraces the whole spectrum of PC-related products, from software to printers.

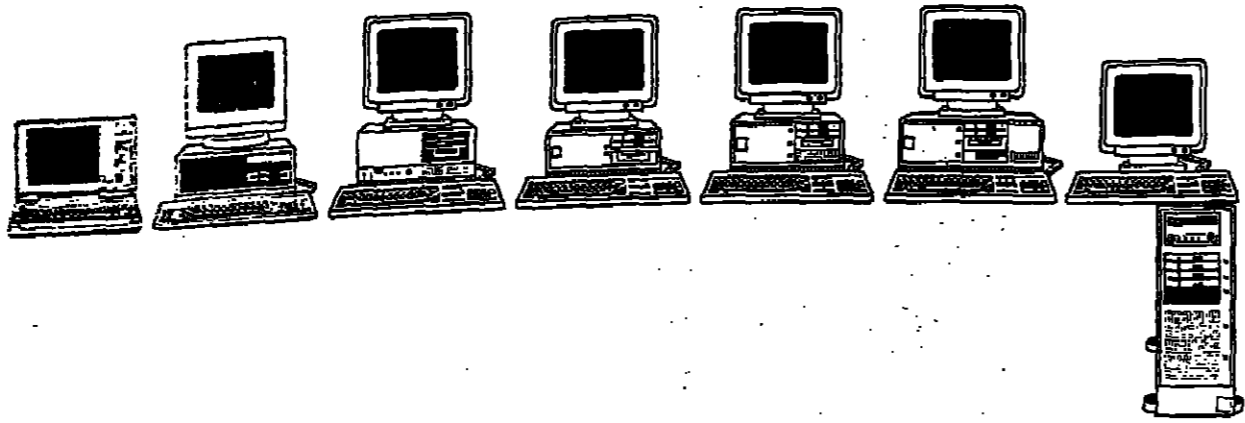
In addition, Olivetti's highly qualified dealer network and internal staff are at the disposal of clients to assist in interpreting their needs and to provide full after-sales back up service.

The new Olivetti PC offering has thus been conceived to give the user the maximum freedom of choice.

To leave him free to grow and evolve rather than to tie him down.

That is why we see the new Olivetti PCs as the choice of freedom.

olivetti



OLIVETTI PERSONAL COMPUTERS. CHOICE OF FREEDOM.

Floating-Rate Notes

Table with columns for currency (Dollars), issuer name, and interest rate. Includes entries for U.S. Dollars, Swiss Francs, and other currencies.

ADVERTISEMENTS for MATSUSHITA ELECTRIC INDUSTRIAL CO. LTD. and HITACHI LTD. (CDRs).

Table of international exchange rates for various currencies including Swiss Francs, Pounds Sterling, and Deutsche Marks.

Table of international exchange rates for various currencies including Pounds Sterling, Deutsche Marks, and E.C.U.

BUSINESS ROUNDUP

Kidde Considers Restructuring, Sale or Breakup

NEW YORK — Kidde Inc., a diversified manufacturer with annual sales of more than \$2 billion, said Tuesday it was considering a possible restructuring or the sale of all or a major part of its business.

Total Expands Italian Oil Stake

PARIS — Compagnie Financière de Paribas, a government bank which was sold to the public in February, said Tuesday it will issue around 7 million shares with warrants to raise 3 billion to 4 billion francs (about \$490 million to \$625 million).

Paribas to Issue 7 Million Shares, Warrants

PARIS — Compagnie Financière de Paribas, a government bank which was sold to the public in February, said Tuesday it will issue around 7 million shares with warrants to raise 3 billion to 4 billion francs (about \$490 million to \$625 million).

GM Joint Venture With Egypt Stalls Over Model Change

CAIRO — One of the largest U.S.-Egyptian joint venture ever planned, a \$300 million project to build General Motors Corp. cars in Egypt, has stalled following the withdrawal of the Egyptian side from negotiations.

BAYERISCHE LANDESBANK 1986 ANOTHER YEAR OF QUALITY GROWTH

Table showing Highlights from the Balance Sheet (unconsolidated) as of December 31, 1986. Columns include Assets and Liabilities in DM million.

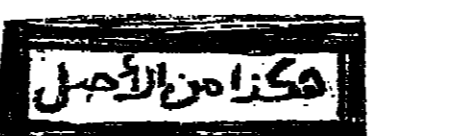
- Balance Sheet Total advances 6.6% to DM 115.5 billion
Operating profit up to record level
Lending volume rises to DM 72.7 billion
Own bonds outstanding reach DM 47.2 billion



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Ruhrkohle to Slash Jobs, Shut 2 Pits

Reuters
ESSEN, West Germany — Ruhrkohle AG, the country's biggest coal producer, announced major job cuts and further pit closings Tuesday in reaction to depressed prices, shrinking demand and company losses.

The company's chairman, Heinz Horn, said that the company would eliminate 4,700 of 112,600 jobs this year.

Ruhrkohle reported a parent company loss of 220 million Deutsche marks (\$119.4 million) for 1986 after a 286 million DM profit in 1985.

Mr. Horn said that the company was producing more coal than it could sell in the market, which has been depressed by a lower demand for coke from the hard-hit steel industry.

Workers demonstrated Tuesday against the planned closings and the job cuts outside Ruhrkohle offices in nearby Duisburg.

Mr. Horn, who criticized the government for what he said was a lack of cohesion in its energy po-

lity, said that one coking plant would close by the end of this year and another would be phased out in 1988.

The company has already shut down two coal mines and a coking plant this year. In March, it closed the Minister Stein pit in Dortmund, the last coal mine in an industrial Ruhr city that once boasted more than 30 pits.

Both the coal and steel industries in West Germany are reeling from the drop in prices and in demand.

The steel industry has announced plans to eliminate more than 25,000 jobs in the next few years, and the coal sector expects to cut 15,000 after eliminating 25,000 in the last three years.

In 1986, coal filled 73 percent of West Germany's energy needs. That figure has fallen since to 20 percent, reflecting the country's increasing reliance on oil and natural gas.

Ruhrkohle reduced production in 1986 to 57.7 million metric tons from 58.7 million in 1985, but sales fell more sharply, to 55 million tons from 60.6 million.

Mr. Horn said that Ruhrkohle's sales and earnings had continued to deteriorate this year, and that its stocks of unsold coal would still be rising at the end of 1987.

Mitsubishi Heavy Says Net Plunges

Reuters
TOKYO — Mitsubishi Heavy Industries Ltd., blaming sluggish exports caused by the strong yen, said Tuesday that group net profit fell 58.7 percent to 27.4 billion yen (currently \$184 million) in the year to March 31, from 66.36 billion a year earlier.

Mitsubishi, Japan's largest manufacturer of heavy machinery, said sales were down 49.2 percent, to 1.79 trillion yen from 3.53 trillion. Reflecting the strong yen, overseas sales fell 70 percent, to account for 23 percent of total volume, down from 40 percent the preceding year.

The managing director, Yu Tashiro, predicted group net profit of about 20 billion yen in the year ending March 31, 1988, down 27 percent from a year earlier. He said sales are expected to be almost unchanged.

Ex-Chief Is Acting Head at Gerber

By Arthur Higbee
International Herald Tribune
Carl G. Smith, former chief executive and chairman of Gerber Products Co., has been named acting chief executive of the baby food company.

He succeeds Leo D. Goulet, who died late Sunday in Fremont, Michigan, apparently of a heart attack.

Mr. Goulet, 61, had been named president and chief executive of Gerber in May after William L. McKinley unexpectedly resigned.

Gerber's stock has been rising amid takeover speculation. William F. Maguire, an analyst at Merrill Lynch, told The New York Times that Gerber was viewed as an acquisition target, particularly because it was now seen as lacking strong top management.

According to L. James Lovejoy, a Gerber spokesman, there is no timetable for hiring a permanent chief executive. He said that Mr. Smith, 66, had been chosen as an interim successor because he had continued to be in close touch with management since his retirement as Gerber's chairman in February 1986 after 40 years with the company.

Mott-Hennessy SA, the French champagne and cosmetics company that is merging with Louis Vuitton SA, the luxury leather goods maker, has enlisted Richard Q. Armstrong as president and chief executive of Mott-Hennessy U.S. Corp. So Mr. Armstrong, 52, who once was president of Canada Dry, has moved from ginger ale to champagne.

Mr. Armstrong said the president's post is "essentially a new one." He will be working with Evan G. Galbraith, 50, a former ambassador to France, who is the unit's chairman. Mr. Armstrong left the presidency of Chuet-Peabody & Co., the clothing makers, last September after it was bought out by West Point-Pepperell Inc. He did some consulting for Mott-Hennessy this spring that led to his new post.

3D/1 Hong Kong Ltd., an architectural, interior and graphics design firm, has named John Dielen, 44, managing director of its Hong Kong office. He replaces Dan Brents, 48, who is returning to the firm's headquarters in Houston, Texas, and plans to explore the possibility of opening a branch office in Los Angeles. Both are Americans. Mr. Dielen moves up from design director of the Hong Kong office.

Korea Development Bank of Seoul has promoted Byong Taek Kim from assistant governor of the state-owned institution to deputy governor. Mr. Kim succeeds Chung Hyun Oh, who has retired. The bank also recruited Myung Sup Lee, former director-general of the Ministry of Finance, as auditor to succeed Sung Sook Hong, who has left the bank to take over the presidency of Kang Won Bank Ltd.

Air France has promoted Philippe Hache to director general of its Air Charter subsidiary. Mr. Hache, 43, had been personnel manager of Air France's commercial and sales division. He replaces Rodolphe Frantz, 46, who has been appointed president of the Air France subsidiary Hôtels Méridien SA.

Ladbroke Group PLC, the British betting, retail and credit firm, is sending Tony Grant to New York to develop its real estate investments on the East Coast of the United States. Mr. Grant, 45, will be president and chief executive of London & Leeds, Ladbroke's U.S. property division. He succeeds Kurt Klustock, 62, who has left to begin his own real estate organization. Mr. Grant founded Grant & Partners in Britain in 1965 and has been associated with Ladbroke as a consultant for about 15 years.

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LA CAISSE CENTRALE DESJARDINS



Mr. Georges Lafond, C.A.

Mr. Claude Béland, President and Chief Executive Officer of Caisse Centrale Desjardins, is pleased to announce the appointment of Mr. Georges Lafond as President and Chief Operating Officer.

Mr. Lafond, who is chartered accountant, joined the Desjardins Group in September 1986 as Senior Vice President Finance at the Confederation of the Caisse Desjardins. He was previously with Hydro-Québec where he occupied several functions, including those of Vice President Finance and Executive Vice President, External Markets.

The Caisse Centrale Desjardins is a cooperative wholesale financial institution which acts as the financial agent for the Desjardins Group, a \$30 billion financial institution with broad range operations in Québec. The Caisse Centrale's activities are: treasury, investment, corporate financing, and diversified banking services.

Fraud Charges, Bankruptcy Plea Blotch Image of ZZZZ Best

United Press International
LOS ANGELES — The share price of ZZZZ Best Co., a carpet-cleaning business founded six years ago by a teen-ager in his parent's garage, has plummeted amid fraud allegations and a decision to seek protection under U.S. bankruptcy laws.

ZZZZ Best's stock fell \$2.75 to 75 cents a share Monday in heavy over-the-counter trading. The company, which attracted high investor interest when it went public in December, had traded as high as \$18.375 a share.

Barry Minkow, who founded ZZZZ Best with the aim of making it "the General Motors of the carpet cleaning business," seemed un-

matched among youthful American entrepreneurs in his ambition and business. By 1986, he had built the company into a \$175 million business.

On Friday, Mr. Minkow resigned as chief executive officer and a member of the board, citing "severe medical problems."

The new management of ZZZZ Best filed a civil suit Monday in Los Angeles alleging that Mr. Minkow withdrew \$3 million from the company's corporate checking account without permission from June 1 to June 30.

"Minkow improperly wrote other checks in addition to the \$3 million for personal use," the suit said. "ZZZZ Best, as a direct result of these acts, has little or no liquid assets."

ZZZZ Best, which reportedly is under investigation by the Securities and Exchange Commission for alleged fraudulent practices, said Monday it planned to seek protection under Chapter 11 of the U.S. bankruptcy code.

Mr. Minkow, now 21, founded the carpet-cleaning business at the age of 15 with equipment borrowed from his mother. As the company boomed in size, he appeared on television talk shows to recount his grass-roots success story.

He owns 52 percent of the company's stock, and his personal worth was once estimated at \$100 million on paper.

Mr. Minkow's troubles first surfaced in May, with published reports that ZZZZ Best and a floral business owned by one of its top executives submitted bogus credit card billings.

The Los Angeles Times reported on May 22 that ZZZZ Best had rung up \$72,000 worth of false credit card charges from November 1984 to March 1985.

Adding to Mr. Minkow's problems are at least two class action lawsuits filed by shareholders accusing the company of false statements, violations of securities laws and a failure to disclose the bogus credit card billings to shareholders in a Dec. 9 prospectus.

COMPANY NOTES

Banco di Roma of Italy said it had contacts with a Japanese institution interested in purchasing a minority stake in the bank. It said that proposals were being examined by its majority shareholder, the Italian state industrial holding company IRI, but did not elaborate.

British Aerospace PLC said it had agreed to acquire Stenheil-Lear Siegler AG, a West German manufacturer of precision components for military applications, for 50.25 million Deutsche marks (\$27.3 million).

Broken Hill Pty., the big Australian minerals, oil and steel company, said it had reached a conditional agreement on the sale of its 20 percent interest in the Worsley Alumina joint venture in western Australia to Hydro-Aluminium AS of Norway, a unit of Norsk Hydro AS.

Commonwealth Edison Co., the largest utility

in the United States, agreed to submit to an independent audit in an attempt to win regulatory approval to spin off three nuclear power plants as a generating subsidiary.

Hoare Govett Ltd., the London stockbrokerage, said that its Australian affiliate McIntosh Securities Ltd., in which it has a 50 percent stake, would raise around 80 million Australian dollars (\$57.12 million) through a public issue of 23.88 million shares at \$3.35 each.

Imajica, a leading Japanese image processing company, said it would set up a joint venture with Eastman Kodak Co. of the United States to develop a variety of film beginning Oct. 1. The new Tokyo-based firm is to be capitalized at 4 billion yen (\$26.85 million).

International Business Machines Corp. said it has cut the price of its personal computer PC

Convertible Model 2 to \$1,395 from \$1,695 and had added a new model, the PC Convertible Model 3, with a backlit liquid crystal display and enhanced power supply. The company said the Model 3 is available immediately at a price of \$1,695.

JWT Group's troubles continued as another client, Chevron USA, said it would pull its estimated \$10 million Chevron brand gasoline account from the J. Walter Thompson advertising agency. Ford Motor Co. also has removed some advertising from the agency since the British marketing firm WPP Group agreed to purchase JWT two weeks ago.

Nationale Nederlanden NV, the Dutch insurer, is holding talks with Algemene Bank Nederland NV on taking over the bank's damage insurance unit in Rotterdam, ABN said.

Asia Pacific Growth Fund

Weekly net asset value on 3-7-1987 U.S. \$5.99

Listed on the Amsterdam Stock Exchange



Information: Pierson, Holding & Pierson NV, Herengracht 214, 1016 BS Amsterdam.

SECURITY PACIFIC BANK S.A., GENEVA

A subsidiary of Security Pacific National Bank, Los Angeles, CA., announce that Mr. Henri Heraief, having reached retirement age, will be stepping down as general manager as from July 1st, 1987. Mr. Heraief will continue as director and vice chairman of the board.

During more than twenty-five years in his capacity of general manager, Mr. Heraief was instrumental in developing our organization into a profitable and well regarded member of the Swiss Banking Community. To succeed him, Mr. Louk de Wilde has been appointed general manager. Mr. de Wilde was for the last six years general manager of NMB Bank (Suisse) 55 V.

KINGDOM OF DENMARK
 6% % 1972 — 1987
 Flux 800,000,000

FINAL REDEMPTION

Bondholders are hereby informed that the amount remaining outstanding after August 14, 1986 is Flux 800,000,000 is redeemable at par on or after August 14, 1987. Bonds should be presented for payment at the offices of the paying agents set forth in the prospectus and the conditions of the bonds.


Finally it is recalled that the following bonds which have been drawn by lot in previous years have not yet been presented for payment:

Drawn in 1984:	1509-1510, 3151-3152
Drawn in 1985:	6327-6329, 6465, 6927-6928, 7107, 7181-7182, 10273-10287.
Drawn in 1986:	13803, 13910-13914, 15016-15030, 15302-15303.

BANQUE INTERNATIONALE À LUXEMBOURG
 Société Anonyme
 Principal paying agency

Luxembourg, July 8, 1987.

Where will you be without gold when the party is over?



It was fun while it lasted. And profitable. But nothing goes up forever, and many indices are now signaling fundamental difficulties in the economy—renewed inflation coupled with slowing growth, gyrating currencies, seesawing stock markets.

No, the boom may not be over yet. However paper investments are quite vulnerable to these kinds of economic factors. Therefore the boom is certainly no longer the robust, ebullient phenomenon it once was. And probably never will be again. In face of these mounting danger signals, the show-witless of investors are now rapidly converting part of their paper profits into the solid security of physical gold.

Why gold? Because as the most precious of metals, the value of gold is intrinsic, and therefore trustworthy. Moreover, gold is easy to store, easy to transport. And instantly recognized for the genuine treasure it is, virtually anywhere in the world.

Today's gold price in strong currencies—remember when this used to mean the U.S. dollar?—is still relatively low, and the historical trend has always been up. Financial counselors recommend putting a substantial part of investment assets into gold, as insurance for the medium to long term.


Gold is money you can trust. Anytime. Anywhere. For full information on how to secure your financial assets in something solid, consult your bank or broker. Or write for your free copy of the 60-page, pocket-sized "European Guide to Gold" to:

Gold Information Centre 112
 B.P. 351 - CH-1211
 Geneva 3 - Switzerland



GOLD
 Money you can trust.

No frills.



When you make a great beer, you don't have to make a great fuss.

CURRENCY MARKETS

Dollar Rises on North Testimony

NEW YORK — The dollar rose above 150 Japanese yen Tuesday for the first time in more than three months as the market breathed a sigh of relief when Lieutenant Colonel Oliver North did not implicate President Ronald Reagan in the Iran-contra affair.

London Dollar Rates

Table with columns for currency type and rate. Includes Sterling, Deutsche Mark, Swiss Franc, and others.

The dollar ended at 150.35 yen, up from 148.875 yen at Monday's close. It was the first time the dollar had broken through the 150-yen mark since March 23.

The pound was becalmed, ending one basis point down from the opening, at 73.0 on its trade-weighted index.

The pound was becalmed, ending one basis point down from the opening, at 73.0 on its trade-weighted index. But dealers said the pound remained strongly underpinned and was holding up well in the cross rates.

In London, the dollar closed unchanged from Monday at 1.8405 DM. It rose to 149.70 yen from 149.35 yen on Monday.

Output Slows, Orders Fall in West Germany

BOHN — New industry orders in West Germany fell 0.9 percent in May from April, and production rose by only 0.4 percent after a strong 3.4 percent increase in April, the government reported Tuesday.

But Jürgen Pfister, chief economist at Commerzbank AG, said the fall in orders was not a disappointment. "The orders were pleasing," he said. "It shows that talk of a recession in the last quarter of 1986 and the first quarter of 1987 were unfounded."

RUBBERMAID: Succession Vacuum as Board Rejects Her Apparent

(Continued from first finance page) But Mr. Giga, like Mr. Fowler, was a hands-on operations man. And Mr. Noble, like Mr. Gault, has many years later, decided that Rubbermaid needed an executive with solid marketing experience.



Robert E. Fowler Jr.

Anyone who has followed Stanley Gault's career over the last decade could not help but be struck with a sense of déjà vu as last week's events unfolded. Seven years ago, what had been a much-publicized seven-man race to succeed Reginald Jones as head of GE was won by John F. Welch Jr.

But Mr. Giga, like Mr. Fowler, was a hands-on operations man. And Mr. Noble, like Mr. Gault, has many years later, decided that Rubbermaid needed an executive with solid marketing experience. To be sure, corporate history is rife with stories of companies that turned to marketing pros during bad times, witness Chrysler Corp. and its chairman, Lee A. Iacocca.

parties, like Tupperware. Barely pausing between piling and building, Mr. Gault soon engineered Rubbermaid's first acquisition, of Carian Inc., which makes ConTact self-adhesive coverings.

costs significantly, while installing some of the industry's most sophisticated technology. And the heads of the Rubbermaid operating units, who report to Mr. Fowler, say he is a pleasure to work for. "Bob is a born leader," said Nat Hellman 3d, the founder of Microcomputer Accessories and still its president and general manager.

Weaker Dollar Boosts Diamonds

Sales of Rough Stones, a Haven for Investors, Rise 28%

LONDON — Sales of diamonds, a haven for many investors, are rising, helped by the weak dollar, industry and market sources said Tuesday.

De Beers has said it allowed its inventories to fall to low during the last boom in 1980, when the price for flawless investment-grade stones peaked at more than \$60,000 per carat.

Prices for uncut stones were raised twice in 1986, by 7 percent in April and 7.5 percent in November. Market analysts said De Beers seemed to be getting a firmer grip on the diamond market by maintaining large stockpiles.

Subsequently, the Central Selling Organization's sales dropped abruptly and De Beers found itself holding an unprecedented surplus.

West Germany, which leads the EC's opposition to the Reagan plan, has a large number of small farms and could suffer considerably if the Common Agricultural Policy were phased out.

Nearly two-thirds of the 650,000 full-time farmers in West Germany could be forced off the land, according to Wilhelm Heinrichsmeyer of the Agricultural Policy Institute in Bonn.

FARM: U.S. Plan Could Decimate EC Sector, Aides Say

(Continued from first finance page) four farms within a comparable area in the United States and Canada.

West Germany, which leads the EC's opposition to the Reagan plan, has a large number of small farms and could suffer considerably if the Common Agricultural Policy were phased out.

Nearly two-thirds of the 650,000 full-time farmers in West Germany could be forced off the land, according to Wilhelm Heinrichsmeyer of the Agricultural Policy Institute in Bonn.

There will be a radical change and big decrease in employment in the farm sector independent of what is decided in Brussels or Geneva," said the official at France's mission to GATT.

There are concerns in the United States about the effect that the U.S. plan could have on American farmers, although the fear is less pronounced than in the EC and Japan.

way out of the era of heavy subsidies was not through an abrupt and brutal shift. They are calling for gradual liberalization that will quicken the current trend of attrition in the farm sector.

There are concerns in the United States about the effect that the U.S. plan could have on American farmers, although the fear is less pronounced than in the EC and Japan.

Clearly, Mr. Gault — and Mr. Fowler, since he was the production chief during the acquisitions — found a winning formula. Rubbermaid earned \$70 million last year on revenues of \$795 million — a 21 percent earnings increase on a 16 percent revenue rise.

And Rubbermaid seems to have a magic touch in new products, launching about 100 a year.

Neither Mr. Gault nor the Rubbermaid board have ruled an internal promotion. "We have some very talented people inside the company, but we owe it to the shareholders to widen the search," Mr. Gault said, noting that many of his top people are a bit young for his job.

U.K. Court Bars Patent For Genentech Drug

NEW YORK — Genentech Inc. lost a skirmish Tuesday in its battle to control the British patent rights to its genetically produced drug TPA, which halts heart attacks while in progress.

Tuesday's OTC Prices. NASDAQ listing as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC stock prices including ADC, ADI, ADP, etc.

Table B: OTC stock prices including AIG, AII, AIZ, etc.

Table C: OTC stock prices including ALC, ALD, ALG, etc.

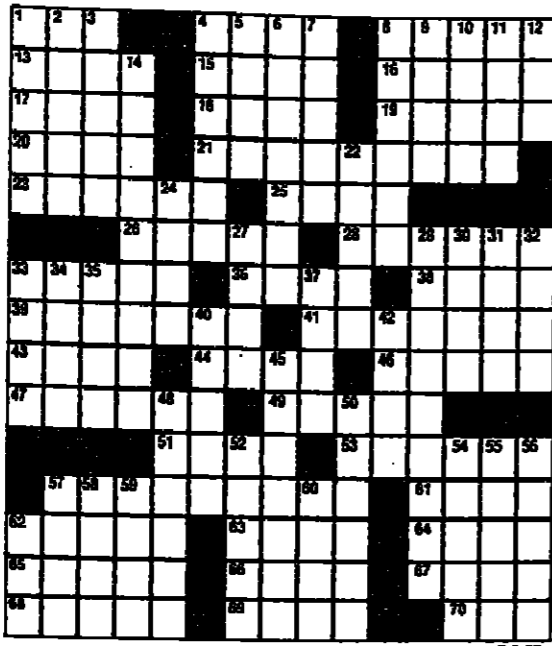
Table D: OTC stock prices including ALH, ALI, ALJ, etc.

Table E: OTC stock prices including ALK, ALM, ALN, etc.

Table F: OTC stock prices including ALP, ALQ, ALR, etc.

Table G: OTC stock prices including ALS, ALU, ALV, etc.

Some figures are unofficial. Yearly highs and lows reflect the previous 52 weeks as of the close of the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high and low rates and dividend are shown for the new stock only. Unless otherwise noted, rates for dividends are annual distributions based on the latest declaration.



- ACROSS**
- 1 Draft initials
 - 4 Small Tibetan antelope
 - 8 Famed limer's first name
 - 13 Boyer role
 - 15 Hillside shelter
 - 16 Suffered from ague
 - 17 Mares, to Plato
 - 18 Ceremonial act
 - 19 Appoints
 - 20 Dope cop
 - 21 Did his treasure weigh "seven tons"?
 - 23 Place for an obi
 - 25 Ancient Asian
 - 26 Parasitic growths
 - 28 Depression causer
 - 33 High up
 - 36 Essence
 - 38 Concert halls
 - 39 "Aimless" girl?
 - 41 Her songs don't "clay one"
 - 43 Lacking color
 - 44 Malayan boat
 - 46 Rulers of yore
 - 47 Clement one
 - 49 Condition
 - 51 Lean to one side
 - 53 Nomads
- DOWN**
- 57 Author who wore "a warm knit"?
 - 61 Equal
 - 62 Night, in Ayr
 - 63 Yorkshire river
 - 64 Easy gait
 - 65 Path starter
 - 66 Caddie-shack bosses
 - 67 Saline drop
 - 68 Surface luster
 - 69 Huguenots' town
 - 70 A Chaplin
- 7/8/87

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



"MR. WILSON WILL HAVE FUN PLAYING WITH US AS LONG AS WE DON'T LET HIM KNOW THAT HE'S PLAYING."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MYDAL
ZALEH
GEOVAY
DUTILE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	22	Beijing	28	22
Amsterdam	23	17	Bombay	32	26
Athens	28	22	Buenos Aires	32	26
Bangkok	32	26	Calcutta	32	26
Batavia	28	22	Chengde	28	22
Bombay	32	26	Chongqing	28	22
Buenos Aires	32	26	Guangzhou	28	22
Burton	28	22	Hankow	28	22
Calcutta	32	26	Hong Kong	28	22
Cardenas	28	22	Kobe	28	22
Cebu	28	22	London	23	17
Chengde	28	22	Manila	28	22
Chongqing	28	22	Medan	28	22
Chuncheon	28	22	Osaka	28	22
Chunghua	28	22	Seoul	28	22
Chungking	28	22	Singapore	28	22
Chunghua	28	22	Taipei	28	22
Chunghua	28	22	Tokyo	28	22
Chunghua	28	22			

BOOKS

FILM FLAM: Essays on Hollywood
By Larry McMurtry. 159 pages. \$16.95.
Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Michiko Kakutani
OVER the years, assorted Larry McMurtry characters have flirted with Hollywood. Lucy, the golden girl in "The Last Picture Show" and "Texasville," leaves her hometown to become a "minor movie star"; Danny Deck, the native young writer in "All My Friends Are Going to Be Strangers," moves out to the coast to seek his fortune; and in "Somebody's Darling," Danny's onetime girlfriend, Jill Peed, struggles to make it as a director.

When it comes to looking at the movie business with a no-nonsense eye, however, Joe Percy, the aging screenwriter in "Moving On" and "Somebody's Darling," probably remains McMurtry's most eloquent observer — meditating not only on his own work (which he considers "a harmless kind of garbage"), but also on the differences between life and art, art and craft, craft and backwork; and on the compromises exacted by the business of making movies.

Many of Joe's thoughts are echoed by his creator in this volume of essays — where, stripped of the narrative context of fiction, they tend to sound either myopic or obvious. While some of McMurtry's passing comments on Hollywood are amusing, he makes no effort to do any sort of serious reporting, and his expository pieces consequently lack the depth of detailed knowledge of the inner workings of the movie industry that distinguishes, say, the work of John Gregory Dunne ("The Studio," "Quintana and Friends"). The chapters of criticism in this volume suffer from a similarly perfunctory tone — and they are limited further by the author's narrow point of view. As he notes in a lengthy chapter about school films, McMurtry finds that "good movies press upon one, much like Reality, and I will do almost anything to escape them." One film by Ingmar Bergman ("The Naked Night") and one film by Francois Truffaut ("Julie and Jim") were enough to satiate him with these directors, and he says that, left to his own devices, he will happily subsist "on a diet of the coarsest trash — four or five bad movies a week will usually suffice me, and I glean most of them from television."

McMurtry, of course, has had several of his

- BEST SELLERS**
The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.
- FICITION**
1. "MONEY" by Stephen King
 2. "THE HAUNTED MESA" by Louis L'Amour
 3. "EMPIRE" by Gene Velea
 4. "PRESIDENTS, DISSENTERS" by Robert S. Lynd
 5. "FALE KINGS AND PALACES" by Robert S. Lynd
 6. "THE TIMOTHY FILE" by Lawrence Sanders
 7. "RED STORM RISING" by Tom Clancy
 8. "WINDMILLS OF THE GODS" by George R.R. Martin
 9. "FINE THINGS" by Dennis Lehane
 10. "MORE DUE TO DEATH" by James M. Cain
 11. "REVEREND" by John Grisham
 12. "SPIDER" by Michael Crichton
 13. "WIZARD OF ID" by Mike Flores
 14. "DARK GENIUS" by Michael Chabon
 15. "THE BURNING OF THE BURNING" by Stephen King

- NONFICTION**
1. "THE CLOSING OF THE AMERICAN MIND" by Allan Bloom
 2. "A DAY IN THE LIFE OF AMERICA" by Robert S. Lynd
 3. "BANDAGES" by Richard S. Tedlow
 4. "PASSION TO THE POINT" by Robert S. Lynd
 5. "EVERYTHING TO GO" by Henry and Rosalyn Carter
 6. "CULTURAL LITERACY" by E.D. Hirsch
 7. "THE CITY OF THE FUTURE" by Robert S. Lynd
 8. "HOLD ON! MR. PRESIDENT!" by Sam Donaldson
 9. "LOVE, MEDICINE & MIRACLES" by Brenda S. Stetler
 10. "THE DIFFERENT DRUM" by M. Scott Peck
 11. "THIS N. THAT" by Bruce Dack with Michael Haskovick
 12. "THE AND DEATH IN SHANGHAI" by Mia Couto
 13. "A SEASON ON THE BRINK" by John McMane
 14. "THE CITY OF WINE" by Alan Watts
 15. "THE FATAL SHOOTING" by Robert Hughes
- ADVICE, HOW-TO AND MISCELLANEOUS**
1. "WEBSTER'S MONTE NEVE COLLEGE GLATE DICTIONARY" (Merriam-Webster)
 2. "WOMEN MEN LOVE: WOMEN MEN LEAVE" by Conrad Cohen and Melvyn Klainer
 3. "THE CRITICAL GOURMET COOKS WITH WINE" by Jeff Smith
 4. "SIBLINGS WITHOUT RIVALRY" by Adele Fisher and Elinor Maccoby
 5. "WEBSTER'S MONTE NEVE COLLEGE DICTIONARY" (Merriam-Webster)

Solution to Previous Puzzle

ARAB ASPIC ALMA
NOTE GRANA SEAS
WATO ENTEDANNS
ARAB SEE TEN
CLUB MADJ
CREATOR REOPEN
CRUD BOUL WHERE
HEIR BOMIC MARD
HEIR RANA MGS
STATUS SPRAYER
TINA GERS
ABS GEM STELLA
MIDTBEAYS NOEL
ARIA RARE GEAR
YANE SHAPS HANS

BRIDGE

By Alan Truscott
A elegant example is the which neutralized the jack and diamond deal, which helped, was the only way to defeat the game. After the routine return Tom Smith of Opauchuck, the fourth-best return; has had little attention from theorists.

If the opening leader's partner wins the first trick and returns the suit, the standard fourth-best is the standard holding. But this can be an error, especially if the third player has no prospect of regaining the lead.

Edith Sachs of Manhattan said, "After the routine return Tom Smith of Opauchuck, the fourth-best return; has had little attention from theorists." They defended three no-trump after South had made a slightly eccentric jump to two no-trump over one spade. Most players would choose a negative double, or he doggo in the hope of a penalty.

Sachs as West was unable to lead her partner's suit and tried the heart three times. Smith won the ace and saw South play the two hearts sure of the distribution of the suit. With his partner's return to his hand he made the successful return of the heart three.

NORTH

♠ 7 3
♥ K J 8 6 5
♦ A Q J 8 5 4
♣ K 8 3

SOUTH

♠ A K 10 9 7
♥ Q 10 8 6 5
♦ 6 4 2
♣ A 7 8

East and West were vulnerable.
The bidding:
South West North East
1NT Pass 1♠ Pass
2NT Pass 2♠ Pass
3NT Pass 3♠ Pass
West led the heart three.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, July 7.

Amsterdam	Frankfurt	London	Paris	Sao Paulo	Tokyo
ABN 100.00	AGF 100.00	AA 100.00	AGL 100.00	AGL 100.00	AGL 100.00
AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00
AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00	AGF 100.00

Toronto	Chicago	London	Stockholm	Sydney	Zurich
AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00
AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00
AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00	AGL 100.00

SPORTS

Born-Again Twins Move Back on Top

New York Times Service
MINNEAPOLIS — In recent years, the Minnesota Twins could be counted upon for two things: great hitting displays and a failure to finish on the right side of .500.

Dan Gladden also came from the Giants, in a trade for three minor-leaguers. He is a proven leadoff batter (.281 average, 13 stolen bases) and has allowed Kelly to bat Kirby Puckett third in the order without second thoughts.

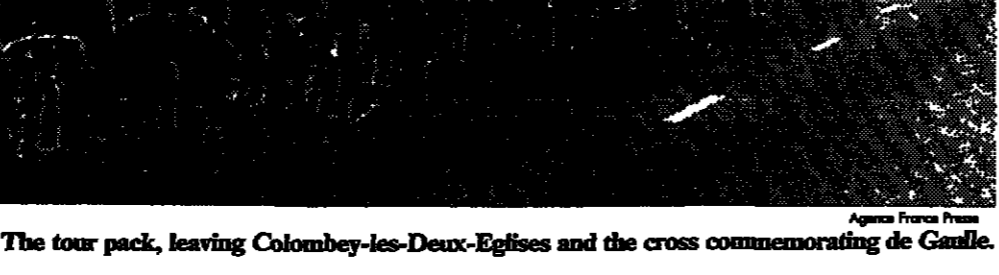


Kent Hrbek: healthy numbers.

rounded team, starting with an off-season shake-up in the front office that has produced myriad changes on the field — and title contention: Tuesday night, on home runs by Tom Brunansky and Kent Hrbek, and Frank Viola's five-hitter against New York.

The new players around a core that includes Puckett in center field and Gary Gaetti at third base, both of whom hit more than 30 home runs and won gold gloves in 1986.

But when we have meetings, he says all the right things," said Gaetti, a rookie in 1982 when the Twins lost 102 games.



The four pack, leaving Colombe-les-Deux-Eglises and the cross commemorating de Gaulle.

Tour Salutes la France Profonde

By Samuel Abt
INTERNATIONAL HERALD TRIBUNE
COLOMBEY-LES-DEUX-EGLISES, France — Just after a heavy rain ended Tuesday morning, a good five hours before the Tour de France was due to pass through Colombe-les-Deux-Eglises, a gen-darme checked the highway for stray dogs.

church's graveyard in 1970, the tour staged a special ceremony Tuesday afternoon, including laying a wreath on his plain white grave and releasing two thousand doves in sight of the huge Cross of Lorraine raised in de Gaulle's memory atop a hill nearby.

Clere was reeled in by the pack near the end of the 211-kilometer (131-mile) trip from Epinal to Troyes, which was won in a great sprint by Guido Bontempi, an Italian with the Carrera team of Italy.

Angel Homer Beats Red Sox in 12th; Clemens Fails to Hold 7-0 Advantage

Compiled by Our Staff From Dispatches
ANAHEIM, California — California Manager Gene Mauch tried his best to be diplomatic.

But after seeing his club erase a 7-0 deficit Monday night against Roger Clemens, on its way to a 10-7 victory in 12 innings over the Boston Red Sox, it was plain to Mauch that last year's Cy Young Award winner wasn't the same.

his previous four starts, pitched and Frank Viola pitched a five-hitter to move Minnesota into first place in the American League West.

Orlans 4, White Sox 1: In Baltimore, a fifth-inning single by Alan Wiggins scored the game-winner as the Orioles broke a seven-game losing streak.

BASEBALL ROUNDUP

42 while losing 12 of their previous 14 games. "Cleveland's not going that well," said Saberhagen, who took a 2.22 earned-run average into the game.

Clemens was just too inconsistent," Boston Manager John McNamara said of last season's 24-game winner who, despite two dismal recent outings, somehow remains on a personal three-game winning streak.

Astros 9, Expos 3: In Houston, Danny Darwin pitched five-hit ball for eight innings and Alan Ashby hit two-run homer as the Astros knocked Dennis Martinez out after 2 1/2 innings.



Andre Dawson, keeping an eye on homer No. 23 of 1987.

Cubs 7, Padres 0: In Chicago, Andre Dawson drove in four runs to back Steve Trout's four-hit pitching as the Cubs beat past San Diego.

Most of the early favorites were five or six minutes behind in what is turning out to be a grueling race many days before it reaches the mountains, where losses will be considerable.

SCOREBOARD

Baseball

Monday's Line Scores
AMERICAN LEAGUE
Chicago 8 6 8 0 0 - 5 1
Baltimore 6 10 0 0 0 - 4 7
Detroit 2 4 6 0 0 - 7 4

Transition

BASEBALL
American League
LEAGUE-Named Jim Freese, Chicago manager, and Tony La Russa, Oakland manager, coaches for Tuesday's All-Star Game.

Tennis

PRO LEADERS
MEN
Earnings
1. Stefan Edberg, 2, Ivan Lendl, 3, Mats Wilander, 4, John McEnroe, 5, Andre Agassi, 6, Yannick Noah, 7, Greg Norman, 8, Andre Guzman, 9, Jim Courier, 10, Jimmy Connors, 11, Boris Becker, 12, Boris Becker, 13, Yannick Noah, 14, Tim Mayotte, 15, Guillermo Lavilla, 16, 17, 18, 19, 20.

Cycling

TOUR DE FRANCE
SEVENTH STAGE
(181 kilometers/113.1 miles)
1. Claudio Belluardi, Italy, 2. Steven Soudant, France, 3. Jacques Gans, Belgium, 4. Jean-Paul van Poppel, Netherlands, 5. Josif Ličič, Slovenia, 6. Johan Capiot, Belgium, 7. Markel Lantz, Spain, 8. Sean Kelly, Ireland, 9. Jochen Cappelletti, Switzerland, 10. Pierre-Thomas, Belgium, 11. Matthieu Hermans, Netherlands, 12. Phil Anderson, Australia, 13. Roberto Armijo, Italy, 14. Alessandro Ziliotti, Britain, 15. OVERALL LEADERS
1. Erich Maechler, Switzerland, 2.19:44. 2. Christophe Lavonne, France, 2:34:40. 3. Jans Müller, Switzerland, 2:44. 4. Giancarlo Ferreri, Italy, 1:16. 5. Azzio De Silve, Portugal, 1:28. 6. Charles Malet, France, 1:28. 7. Guy Nuyens, Belgium, 1:28. 8. Dietrich Thurau, West Germany, 1:45. 9. Yvon Madiot, France, 1:49. 10. Deo-Orth Lauritzen, Norway, 1:59.

Pro Leaders

WOMEN
Earnings
1. Steffi Graf, 2, Martina Navratilova, 3, Chris Evert, 4, Hana Mandlikova, 5, Pam Shriver, 6, Hana Mandlikova, 7, Claudia Kohde-Klich, 8, Zina Garrison, 9, Wendy Turnbull, 10, Gabriela Sabatini, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20.

Tour de France

OVERALL LEADERS
1. Erich Maechler, Switzerland, 2:19:44. 2. Christophe Lavonne, France, 2:34:40. 3. Jans Müller, Switzerland, 2:44. 4. Giancarlo Ferreri, Italy, 1:16. 5. Azzio De Silve, Portugal, 1:28. 6. Charles Malet, France, 1:28. 7. Guy Nuyens, Belgium, 1:28. 8. Dietrich Thurau, West Germany, 1:45. 9. Yvon Madiot, France, 1:49. 10. Deo-Orth Lauritzen, Norway, 1:59.

IOC's Samaranch: It's Seoul or No Go

The Associated Press
LONDON — The 1988 Olympics will be held in Seoul or abandoned if the political situation makes it impossible to stage the Games in the South Korean capital, the head of the International Olympic Committee was quoted as saying on Tuesday.

Major League Standings

AMERICAN LEAGUE
East Division
New York 47 32 58 4
Detroit 44 35 57 5
Minnesota 37 39 58 4

Chun Doo Hwan, it had no plans to change the site. In the interview, Samaranch said the situation in Seoul appeared to have improved since Chun accepted a series of opposition demands including the release of several hundred political prisoners.

Italian Soccer's Home-Grown Star — and Home-Grown Rules

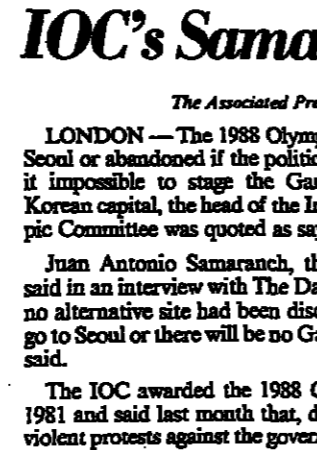
International Herald Tribune
LONDON — Rarely do Italians whisper about soccer rather than shout it from the rooftops. It usually means there's more to a deal than meets the eye.

Rob Hughes
learning that there is nowhere the paparazzi will not find them.

When philosophically opposed heads of state talk confidentially, they walk through a pine forest in a neutral no-man's land. When Italian club presidents barter, a boat out in the Bay of Naples ought to guarantee privacy.

Carera was restored to the Brazilian team after lapsing into mental exhaustion brought on by bagging over terms for his joining Italy's foreign legion (Naples apparently has no financial ceiling now that Maradona & Co. have cleaned up the Italian League and Cup).

Relief pitcher Jeff Reardon, late of Montreal: 16 saves.



Relief pitcher Jeff Reardon, late of Montreal: 16 saves.

Major League Standings

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Detroit 44 35 57 5
Minnesota 37 39 58 4

Major League Standings

WEST DIVISION
Minnesota 47 36 56 1
Kansas City 44 36 56 1
Oakland 44 37 56 2

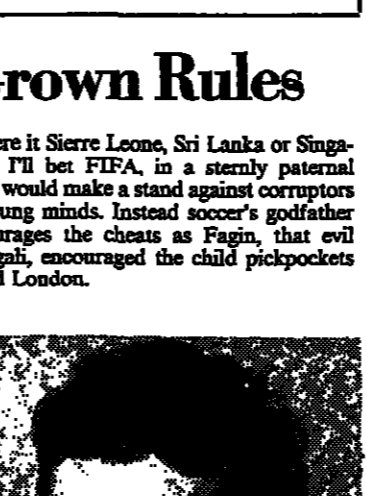
Major League Standings

NATIONAL LEAGUE
East Division
St. Louis 43 38 55 5
New York 43 38 55 5
Chicago 42 39 53 8

Major League Standings

NATIONAL LEAGUE
West Division
Cincinnati 46 34 61 1
Houston 43 38 57 2
San Francisco 42 40 52 4

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Major League Standings

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OBSERVER

In the Ring With Wotan

By Russell Baker
NEW YORK — On the advice of doctors I am taking a few years off from my reading of Marcel Proust's "Remembrance of Things Past." Those reports that I attacked five volumes of the masterpiece with a machete, however, are a canard. I am particularly vexed by rumors that the suspense of Volume 2 ("In the Shadow of Young Gilles") had unhinged me. True, I have been reading Volume 2 for many years. True, the suspense is not for the faint-hearted. For 365,000 words the reader wonders: Will Marcel get invited to tea with Gilberte?

ing these "snatches," however, is essential for the monumental task of listening to all the opera straight through, which I tentatively hope to manage by the time President Reagan's "Star Wars" system is in place in upper space. Since mid-June I have been studying the character of Wotan, an unscrupulous, vulgar rogue who, though chief god, would be perfectly at home in the Chicago of the 1920s or today's New York. Before the opera is out of the chocks, Wotan is swindled a pair of dense but strong-bodied giants into building him a structure where dead heroes can get together and have a good time. One senses in Wotan the same genius for promoting masculine fun and games that made professional football such a successful American industry.

The Palio: Siena's Game of War for Adults



Scenes from the Palio in Siena: "A war of diplomacy and of exhaustion."

By Roberto Suro
SIENA, Italy — At midnight the heat of a Tuscan summer day is just passing. Usually the steep little streets of this hill city are dark and empty. But just before the Palio, Siena is awake with expectations and plotting. "This is a war," the gray-haired man said, smiling. "The Palio is a war of diplomacy and of exhaustion." Giancarlo Galardi was still not satisfied with his definition of an event that is ostensibly just a race set in Siena's central Piazza del Campo, contested by 10 horses, each representing a contrada, or parish. The bloody rivalries between these highly developed neighborhood organizations justify bellicose metaphors.

torial powers over this miniature democracy. Usually run twice a year — on July 2 and Aug. 16 — for no other prize than a cloth standard with a painted image of the Virgin Mary, the Palio is not a simple test of speed. Equally important is what Galardi called "an infinite series of threads that come together in a knot the moment the race begins." The threads are deals made with other contrade, often involving thousands of dollars. Deals are made among allies not to obstruct each other, or to defeat a common enemy. Information and misinformation are exchanged, truces are called in 200-year-old fights and new animosities are born.

On Thursday, as often happens, a pack of horses went into the turn and crashed. Five jockeys ended up in the hospital. Luckily was Braiddano, a prize throughout who had won the Palio twice. He got up with a leg dangling limp, gushing blood, and stood on the course crying in pain while he was shot. "The contrade have remained strong through many centuries because they have reflected some basic truths about urban living while continuing constantly to reflect changes in society," said Roberto Barzanti, a former mayor of Siena. In the 1200s the contrade raised military companies for Siena's frequent wars with Florence. Most recently contrade have worked to stop churches from crumbing and to keep church pushing away. "All this time," Barzanti said, "the life of the contrade has thrived because it was the life of neighbors who lived close together on the same streets, but that life of the neighborhoods is disappearing, the contrade are threatened." In the last 20 years Siena has moved outside the old walled city where the contrade have their territory. High rents and decay have driven people to suburbs. Now, only a quarter of Siena's 60,000 inhabitants live within the walls.

Facing with recruiting problems, the contrade have turned to organizing events such as dances, dinners and sports tournaments aimed at gaining the suburban teen-ager's interest. "The challenge is to keep the contrade alive during the long months when there is no Palio," said Gabriella Piccioni, editor of a weekly newspaper. "This is a very real danger when these kids come around only for the races; then they see just sports fans." One much-criticized trend has been the growing stardom of the jockeys, who were long considered expendable mercenaries. On Thursday, however, the role of hero reverted to the captain of a contrade, Rogni. The anthropologist kept everyone, including his followers, in doubt as to whether Selva's purportedly ailing horse would run. Then he not only led a surprisingly healthy steed, but switched riders at the last possible moment. Instead of the star jockey he had hired, Rogni used a young boy with almost no experience. He said a voice in a dream had told him to do it. Others argued that hiring the star and the horse's bad leg had been a ruse all along. All the contrade had to refigure their deals after the 11th-hour switch, and Rogni's lad won the race for Selva.

PEOPLE

Stone Find Not Colossus: Melina Mercouri Says

Melina Mercouri, the Greek culture minister, said Tuesday that a hunk of stone Rhodes from the seabed of the Colossus of Rhodes, Melina Mercouri says. She said the rock was made of a chalcidite, a type of limestone that had been dropped in the harbor two or three years ago. A minisubmarine pilot was looking for spare parts when he spotted a package delivery to the Charles M. Nelson Base in South Carolina. He found an original painting by the pop artist Andy Warhol. "Maybe we'll be famous for 15 minutes," said Commodore Jerry B. Mansley, echoing a famous Warhol line. The purchase order was for \$800 worth of spare submarine parts. The Warhol painting of Queen Elizabeth is valued at \$100,000. The box shipped to the Equinox Gallery in Vancouver, British Columbia. Many officials said Monday. The painting and the spare parts apparently were mistakenly switched in transit from a Seattle freight holding center.

A Los Angeles judge agreed to delay the actor's Sean Penn's 60-day jail term for punching a movie extra so he can complete film projects in West Germany and New York, attorneys said. Los Angeles Municipal Court Commissioner Julian Cathey indicated she would give Penn until at least Aug. 1 to finish "some ongoing projects." Penn was sentenced to 60 days in jail two weeks ago.

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